



STATE OF WASHINGTON  
DEPARTMENT OF COMMUNITY,  
TRADE AND ECONOMIC DEVELOPMENT

## RESIDENT OWNED COMMUNITIES

You and some of your neighbors have talked about the possibility of buying your manufactured housing community or mobile home park. This information is intended to help you:

- Begin to organize your group
- Ask the most useful questions
- Assemble the necessary information
- Locate resources

The technical assistance provided and the provisions of the sample documents should not be construed as legal advice, however, they can provide valuable information as you begin the process. Questions about the law or legal interpretation should be directed to an attorney.

### Where do you start?

Purchasing a Manufactured Housing Community is a long and time consuming process. It can be worth the time and energy. Residents in Washington and other states have successfully purchased their communities, and continue to experience the rewards for their effort.

If you have learned that your community is currently on the market, or you would like to prepare to buy your community in the future, you will first need to organize a resident's association. Forming a strong resident's association prepares residents to seek funding, explore resources, meet deadlines, and work with your community's current owner. It is also a way for you to learn what skills and experiences your neighbors may be able to contribute to the process.

Resident association members should elect officers and create articles of incorporation stating the limited purpose of the organization. You can contact the Secretary of State's office for guidance by calling (360) 753-7115, or by visiting their web site at [www.secstate.wa.gov/corps/](http://www.secstate.wa.gov/corps/).

Much confusion surrounds the differences between state nonprofit status, and federal not-for-profit status. It is important to keep two facts in mind:

- The information found in this document encourages you to incorporate with the state as a nonprofit organization.
- It is very difficult, and often unnecessary, for mobile home parks/manufactured housing communities to become federal, tax-exempt, not-for-profit 501(c)(3) organizations.

Formally incorporating with the state as a nonprofit organization is required by many funding sources, including the Washington State Department of Community, Trade and Economic Development's (CTED) competitive Housing Trust Fund.

Registering as a state non-profit organization:

- Helps define a group and contributes to its credibility as a viable, working group committed to the same end result.
- Provides liability protection for its members because the corporation is the legal entity responsible for its actions, not the individuals within the corporation.
- In every case, you will need financing at some point. It helps build your credibility with financial institutions and funding programs, if you are formally organized and registered with the state as a nonprofit corporation.

### Who can help us?

The Office of Manufactured Housing within CTED is available to provide information and resources, and work with your group to help determine a course of action.

Your park resident group may want to consider contacting an attorney for assistance with your incorporation. An attorney might assist in preparing the articles of incorporation and the organization's bylaws, or provide a final review before filing with the Secretary of State. If you decide to research and retain an attorney, you may save money if you choose one that has prior experience working with neighbor associations and/or nonprofit organizations.

Other resident groups have successfully purchased their communities. Your group may want to consult with them to find out about their experience.

Your resident group may want to hire a private consultant to help you develop and purchase the community. The residents would then own and manage the community through their formal organizational structure.

### What information do we need to begin?

Before any offer may be rendered the buyer needs to know:

- The market value of the manufactured housing community
- The cost of any ongoing maintenance
- The condition of the infrastructure (utilities)
- The cost of reasonable/predictable infrastructure work (maintenance/repair)
- The financial viability of the members of the resident association
- The projected costs of financing the purchase

Knowing the details of this information, the resident association can determine if it wants to proceed with the purchase of the community.

Review the material linked to this web site thoroughly, and keep track of your questions. We will be happy to provide more information and resources as you continue your work.

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