



Manufactured Housing Strategy

Menu of Housing Options – Land Purchase

August 2019



Overview: This memo introduces three housing models for the Town to consider applying to the manufactured home communities in Chapel Hill facing the threat of redevelopment. This memo analyzes how these three housing models accommodate economic development interests while also preserving existing affordable housing and limiting resident displacement and disruption.

The Town’s [Manufactured Home Strategy](#) calls for developing a menu of housing options for Council to consider to address the threat of redevelopment in local manufactured home communities. Staff identified the three housing models described below based on their ability to successfully meet the Town’s economic development and affordable housing interests around these sites, including:

1. Compatibility with needs and preferences of the manufactured home residents, detailed in the [Resident Engagement Report](#) presented to Council in June 2018.
2. Creating certainty for residents’ future
3. Minimizing displacement of and disruption to residents
4. Preserving existing and creating new affordable housing
5. Stimulating economic development
6. Alignment with future land use plans and Bus Rapid Transit
7. Minimize costs and dollars invested from the Town

The matrix at the end of the memo analyzes how each of these models could meet the Town’s goals.

Models

1. Town-Led Mixed-Income Redevelopment Project – City of Boulder, CO

Background: In August 2017, the City of Boulder purchased the [Ponderosa Mobile Home Park](#) with plans to preserve long-term affordability and replace outdated infrastructure. The City committed to working with the community of 68 Ponderosa households (190 residents) to develop and implement a plan for addressing the housing needs of the community while ensuring minimal displacement. The Park was purchased for \$4.2 million with funding from the City and CDBG Disaster Recovery assistance for infrastructure replacement.

Goals: This purchase was informed by several goals and drivers identified through engagement with Ponderosa residents, including:

- Minimize disruption to the owners and residents
- Minimize displacement
- Improve community resiliency
- Retain affordability
- Create certainty for the future
- Minimize costs to the Town and maximize dollars invested



How it Works: Boulder’s plan used resident engagement as the foundation for the development of project solutions, believing that understanding the community and its needs would lead to the best solutions. Through extensive resident engagement by Boulder City staff and consultants, Boulder created [a plan](#) to

develop a mix of housing types on the property that allows residents a range of housing choices, including single-family, duplexes, and carriage houses.

The plans call for a phased redevelopment to ensure no residents are displaced in the process. The City anticipates partnering with the local Habitat for Humanity to construct the residential units. The homes will be owned by the residents. The development plan is currently in the development review phase and construction is expected to begin in early 2020.



One-For-One Home Replacement

Phasing of the project allows people to move from their current home to a new home without having to leave Ponderosa for a long construction period.



2. Nonprofit-Led Mixed-Use Redevelopment Project – Habitat for Humanity - Charlottesville, VA

Background: In 2012, [Habitat for Humanity of Greater Charlottesville](#) successfully implemented the transformation of a manufactured home park without resident displacement. Sunrise Park, near downtown Charlottesville, was a mobile home community of 16 households threatened by redevelopment. Habitat purchased the community for \$1.24 million through Habitat funds, a loan from the Virginia Housing Development Authority, and private donations. Habitat developed a mixed-income, mixed-use community with extensive resident engagement. Habitat is now replicating and building on this model in the [Southwood](#) community in Charlottesville.

Goals:

- Serve as a national blueprint for redevelopment without displacement
- Create affordable homeownership options
- Create small business opportunities

How it Works: [The Sunrise plan](#) called for a phased mixed-income project so that the original sunrise residents could remain on site while their future housing was constructed. The resulting 70 unit mixed-income neighborhood includes housing options that maximize land use and affordable housing stock, including single-family homes, apartments, and condominiums, while building on the strengths of the original mobile home court, including shared community outdoor spaces.



The Southwood [planned redevelopment](#) will have 800 residential units, more than half of which will be affordable, and as much as 200,000 square feet of commercial space. The affordable units will be built by Habitat directly or provided by private developers. Current residents will receive right of first refusal on affordable units, and will be offered mortgages with affordable terms. Habitat is also in the process of negotiating five years of free rent in the commercial space for mobile home park residents who want to start a business.

AARP has created a [Resource Guide](#), building on the lessons learned at Sunrise Park, which offers tools and strategies to enable organizations to transform mobile home parks into successful mixed-income communities without displacement.



3. Resident-Owned Community – ROC USA - Nationwide

Background: [ROC USA](#), is national organization with regional affiliates providing lending and technical assistance to residents in purchasing and managing their manufactured home communities. ROC USA has assisted in the creation of over 225 resident owned manufactured home communities in 15 states across the country.

Goals: Benefits of resident owned communities:

- Control of monthly lot rent, community repairs and improvements
- Lifetime security against unfair eviction
- Liability protection (members are not personally liable for association loans)
- Building a strong sense of community



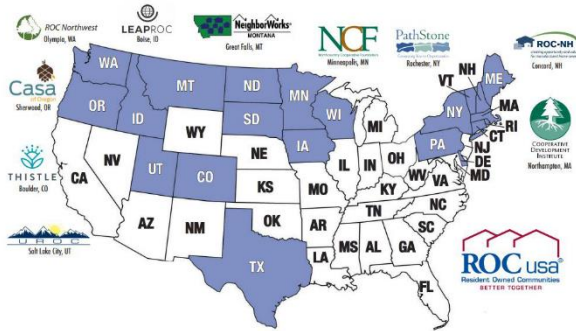
How it Works: In a resident-owned community, homeowners form and join a non-profit cooperative association. The cooperative borrows the money for purchase from ROC USA Capital, whose sole mission is lending to resident owned community. Each cooperative member contributes a maximum \$1,000 joining fee while their lot fees go toward paying off the mortgage and running the new business that is their community. ROC USA Capital has financed 55 resident-owned community purchases with an average loan of \$2.67 million.

Each household is a member of the cooperative, which owns the land and manages the community. Members continue to own their own homes individually and an equal share of the land beneath the entire neighborhood.

Residents make major decisions by democratic vote. Members elect a board of directors, which appoints committees to carry out various tasks and manage the day-to-day operations of the organization.

[Carolina Common Enterprise](#), based in Durham, is in the process of affiliating with ROC USA. If this nonprofit secures its affiliate status, the first in the state, they could provide the technical assistance needed to community residents to successfully own and manage their community.

226 ROCs in 15 States



Town Goals Analysis

Below is an analysis of how each model could meet the Town’s goals, if the Town were to gain site control of any of the Manufactured Home Communities in Chapel Hill.

Goal	Project Model		
	Boulder Mixed-Income	Charlottesville Mixed-Use	Resident-Owned
Meet Resident Housing Needs and Preferences	Green	Green	Green
Create Certainty for Residents Future	Green	Green	Green
Minimize Displacement	Green	Green	Green
Minimize Disruption to Residents	Yellow	Yellow	Green
Preserve Affordable Housing	Green	Green	Green
Create New Affordable Housing	Yellow	Green	Red
Stimulate Economic Development	Yellow	Green	Red
Meet Future Land Use Plans along BRT	Yellow	Green	Red
Minimize Costs and Maximize Dollars Invested	Red	Yellow	Green

- = High achievement of the goal
- = Moderate achievement of the goal
- = Low achievement of the goal