



STAFF REPORT – JANUARY 2021

Background

The Town initiated efforts in 2018 to develop a Strategy for proactively engaging residents and owners of the four manufactured home communities in Town and developing a plan to address the redevelopment threats facing these communities. The purpose of this report is to provide an overview of our strategy and an update on its implementation.

Strategy Overview and Implementation Progress

Our Manufacturing Housing Strategy includes four components: 1) engagement, 2) housing options, 3) site analysis, and 4) coordinated planning. This represents a holistic approach to addressing the redevelopment threat facing all of the manufactured home communities in Town, that prioritizes resident preferences, minimizes displacement and community disruption, considers financial feasibility, and aligns with existing Council-approved plans and priorities.



1. Engage manufactured home park residents, owners, potential developers, and neighbors to create proactive solutions.

Implementation Progress

A. Resident engagement efforts:

- I. Housing and Community staff, in collaboration with Family Success Alliance and Empowerment Inc., held four community meetings in 2018 with manufactured home park residents to gain a foundational understanding of the neighborhoods and the housing needs and preferences of the households who live in them.

These meetings facilitated the development of relationships with residents and allowed us to gain an understanding of what successful housing options could look like for them. For additional details, please see our attached *Resident Engagement Report*. The information in the Resident Engagement Report is the foundation for the manufactured home strategies pursued by staff. Key findings from our resident engagement efforts include:

- Most manufactured home residents are not interested in being relocated to another manufactured home community, mainly due to concern over future displacement.
- Most residents prefer a detached or attached single-family home within Chapel Hill that is close to employment, amenities, public transit, and schools.

- Potential options under consideration should be suitable for families with children, affordable to low-income households, and accessible to those with barriers to many traditional housing options (without a substantial credit history or documentation status).

II. In 2019 and 2020, Housing and Community and Planning staff held several resident engagement meetings related to the 1200 Martin Luther King Jr Blvd (Tar Heel) development proposal throughout the project review process. These meetings have been designed to provide residents information on the project and the Town development review process, and to learn about residents' thoughts, concerns, and interests in the project to help guide project design and decision-making.

B. Owner/Developer engagement efforts:

- I. Over the last two years, Housing and Community staff held conversations with owners of the manufactured home communities to establish relationships and learn about their interests.
- II. In collaboration with Orange County, Carrboro, Hillsborough, and the Mobile Home Park Work Group, staff convened a meeting for all manufactured home park owners in Orange County in 2018 to share our strategies and resources and discuss opportunities for collaboration.
- III. Town staff had several meetings throughout the 1200 MLK project with the owner and applicant. In these meetings, we shared what we have learned from our engagement with residents for the applicant to incorporate into their relocation plan for existing residents on this site. Those conversations resulted in the current plan that does not displace residents on the site for at least 15 years. We also discussed other aspects of the development proposal, including the current condition of the site, options for addressing resident concerns, and amenities to be added to the site such as a play area for children. Staff are prepared to replicate and build on our developer engagement efforts for any redevelopment concepts for the other mobile home communities.



2. Develop a menu of housing options for the Council to consider as manufactured home residents face displacement, including but not limited to:

- *Financial assistance for relocation*
- *Land purchase*
- *Onsite unit construction as part of redevelopment*
- *Off-site unit construction*

Implementation Progress

A. Financial assistance for relocation

- I. Staff explored financial assistance options for residents that could be displaced by future manufactured home redevelopment. These options include:
 - relocation assistance in the form of a one-time cash grant
 - subsidy to live in another manufactured neighborhood
 - assistance for relocation of mobile homes

These strategies would likely involve contributions from the developer to assist with any relocation strategy tailored to a project.

The 1200 Martin Luther King Jr (Tar Heel) applicant has proactively relocated the households within the neighborhood that would be affected by their development proposal. The relocation options for these residents were to have their homes moved, with all costs covered by the Tar Heel owner, to buy a new home at cost with no interest agreements, or to purchase a used home from someone in the unaffected area.

B. Land purchase

- I. The Town pursued the possibility of purchasing the Lakeview community from its current owner. These negotiations were not successful.
- II. Staff have researched additional options for gaining site control of mobile home communities and the strategies that could be pursued, if site control was gained by the Town or an affordable housing partner. See the attached *Menu of Housing Options – Land Purchase Report* for additional information on these options.

C. Onsite and off-site unit construction as part of redevelopment

- I. To proactively create opportunities for onsite unit construction as part of redevelopment, the Town has initiated a Chapel Hill North Master Planning Process, which includes the Lakeview Mobile Home Community. This planning process is still in its early stages but could be beneficial for ensuring affordable housing options are created as part of the development of the Chapel Hill North sites that could serve as potential relocation options for current Lakeview residents.



3. Identify potential sites for development of new housing.

- *Evaluate Town-owned sites*
- *Work with Orange County to identify sites*
- *Determine if existing manufactured home communities have additional capacity*

Implementation Progress

A. Evaluate Town-owned sites.

- I. In 2018, an interdepartmental staff team evaluated Town-owned land for the purpose of increasing the supply of affordable housing in Chapel Hill, which would allow for the possibility of additional relocation options for displaced residents. As a result, Town Council prioritized three sites for affordable housing development, one near Jay Street, one on Bennett Road, and one on Dogwood Acres Drive.

Staff have been moving these projects forward and are executing a Memorandum of Understanding with a potential development partner of the Jay Street site with concept planning set to begin in the winter and spring of 2021. The next step for Bennett Road is to begin implementing a community visioning process for that site and staff plans to bring a plan for conducting the visioning to Council in the spring. Dogwood Acres Drive is a longer-term project and staff will be analyzing the possibility of how to best integrate affordable housing and parks benefits on the site.

B. Work with Orange County to identify sites

- I. Staff continue to explore additional property options for potential relocation throughout Orange County.
- C. Determine if existing manufactured home communities have additional capacity
 - I. Empowerment, Inc. has conducted extensive research of manufactured home community capacity and found a scarcity of vacant lot spaces throughout Orange County.
 - II. The 1200 MLK applicant has found additional capacity on their site as part of their re-development proposal, although the additional sites would need to be placed within the Town's Resource Conservation District.



D. Develop a coordinated plan to apply to any manufactured home community faced with redevelopment. Partners include:

- *Internal partners*
- *Housing Advisory Board*
- *Government partners*
- *Nonprofit organizations*
- *Resident associations*

Implementation Progress

- A. In 2018, the Orange County Local Government Affordable Housing Collaborative partners (Chapel Hill, Carrboro, Hillsborough and Orange County) developed the *Coordinated Manufactured Home Resident Relocation Strategy* (attached) for collaboratively responding to manufactured home communities that may face displacement due to redevelopment.
- B. Housing and Community staff continue to work closely with Family Success Alliance, Empowerment, Inc., and Chicle Language Services, and the Chapel Hill-Carrboro City School System to coordinate outreach and communication efforts with manufactured home community residents.
- C. Housing and Community staff have shared this Strategy and updates on our efforts with manufactured home residents, with the Housing Advisory Board, and will continue to do so.