



Manufactured Housing Strategy

- and -

2019 - 2021 Action Plan

Boulder, Colorado



Acknowledgements

Many policymakers, staff, stakeholders, community organizations and interested community members informed the development of this strategy.

City Council

Suzanne Jones, Mayor
Sam Weaver, Mayor Pro Tem
Aaron Brockett
Bob Yates
Cindy Carlisle
Jill Adler Grano
Lisa Morzel
Mary D. Young
Mirabai Kuk Nagle

Housing Advisory Board

Adam Swetlik
Daniel Teodoru
Jacques Juillard
Judy Nogg
Juliette Boone
Masyn Moyer
Terry Palmos

Human Relations Commission

Art Figel
Lindsey Loberg
Nikhil Mankekar
Sharon Simmons
Stanley Deetz

Youth Opportunities Advisory Board

Anelie Dahl
Barclay Shove
Cole Schoenberg
Eliana Valenzuela Cabriaes
Elie Deshommes
Eve Abraham
Flor Arellano
Gabriela Aguijosa
Lily Margolis
Mark Garcia
Nakalia Furumo-Poston
Nick Sims
Nicolas Bell
NolaRose Fanestil
Quan Liu
Ricardo Reyes

Researchers from the University of Colorado, Boulder:

Sustainable Community Development Law Clinic
Boulder Affordable Housing Research Initiative

City of Boulder staff

Jane Brautigam, City Manager
Kurt Firnhaber, Director for the Department of
Housing and Human Services
Jeff Arthur, Director of Public Works for Utilities
Jeff Yegian, Senior Project Manager
Brenda Ritenour, Neighborhood Liaison
Crystal Launder, Housing Planner

Stakeholders

- Homeowners and renters in Boulder Meadows, Mapleton, Orchard Grove and Vista Village and their various resident associations and coalitions
- Owners, managers and industry representatives of manufactured home communities in Boulder

And...

Area nonprofits and service providers
Academic experts
City staff from other departments
Community members at large

*Recognizing the importance of manufactured housing
as an option for many households,
the city and county will encourage the preservation
of existing mobile home parks
and the development of new manufactured home parks,
including increasing opportunities for resident-owned parks.
If an existing mobile home park is found to have
health or safety issues, every reasonable effort will be made to reduce
or eliminate the issues, when feasible,
or to help mitigate for the loss of housing through re-housing
of affected households.*

**Policy 7.08. Preservation and Development
of Manufactured Housing
Boulder Valley Comprehensive Plan**

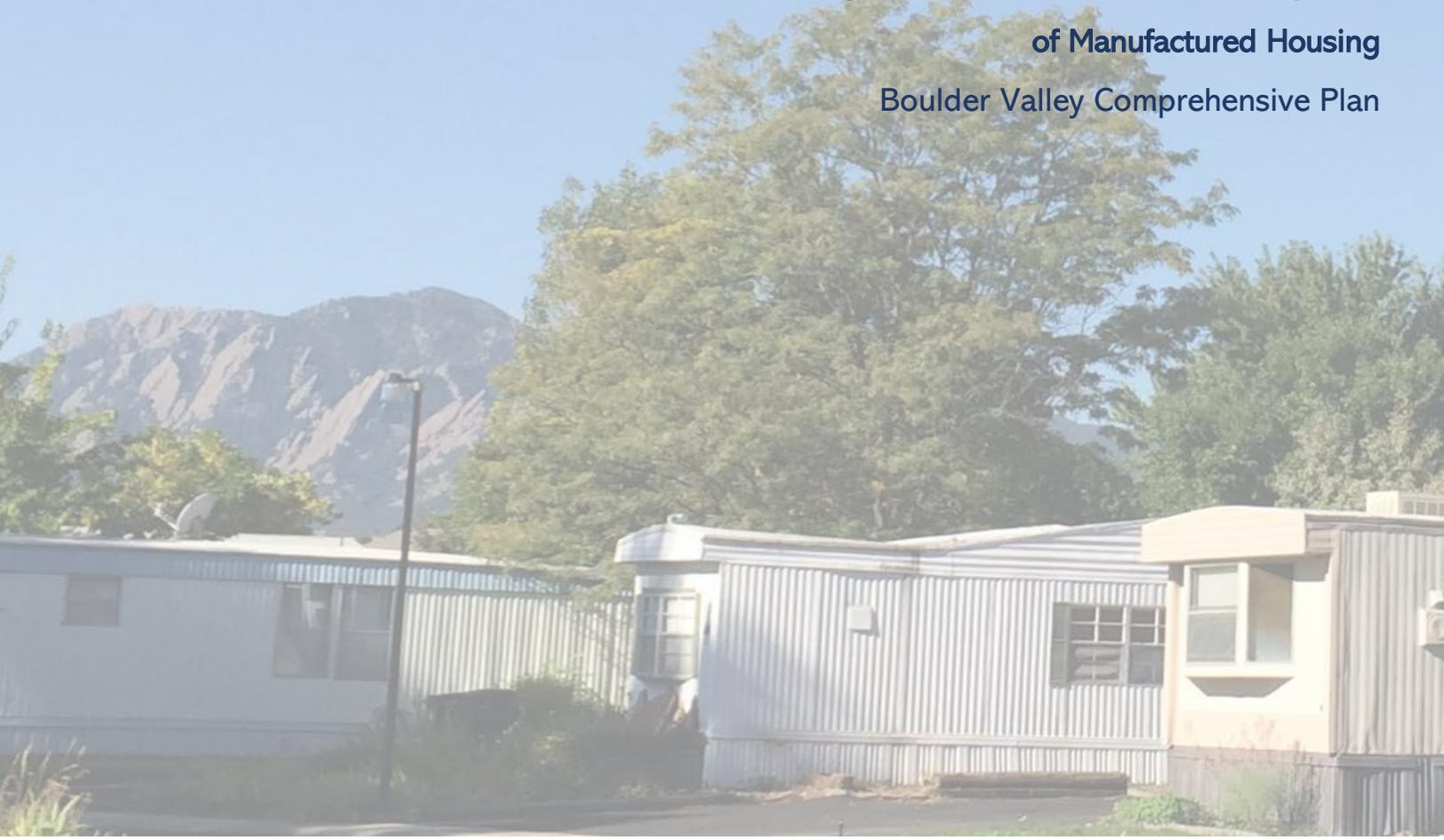


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A. Executive Summary

For over 30 years, the city has demonstrated its support for retaining mobile and manufactured homes as a housing option in Boulder through a variety of policies, programs and activities. Central to these efforts is a 2000 Boulder Valley Comprehensive Plan Policy affirming the importance of Mobile Home Communities (MHC) “as an option for many households” and committing to the following:

- Encourage preservation of existing MHCs
- Encourage development of new MHCs
- Increase opportunities for Resident Owned Communities (ROCs)
- Reduce or eliminate health and safety issues
- Rehouse displaced households.

Since the 2000 Comprehensive Plan adoption, the city has supported these communities in a variety of ways. Some examples include replacement of infrastructure in the portion of Mapleton located south of Goose Creek, exploring purchase of Orchard Grove when it was for sale, and ongoing funding for a home repair program. In the last decade, the city has also received numerous complaints from residents ranging from degraded conditions in a given community, to park rules disallowing the sale of homes built prior to HUD standards, to unfair billing practices and costs, harassment and unfair treatment. While not every request or complaint can or should be pursued by the city (much of the homeowner-landowner relationship is dictated by the state Mobile Home Park Act), the city has increasingly taken a stance of “addressing the power imbalance”ⁱ between these two parties, by passing two rounds of ordinances that advanced homeowners’ rights in these communities and supporting residents to organize resident associations to raise their collective voice.

To further the goals of this comprehensive plan policy, in 2018, City Council directed city staff to complete a Manufactured Housing Strategy that would

Identify guiding principles and a prioritized list of actions.

DEFINITIONS

Manufactured Home: Factory-built housing, constructed on or after June 15, 1976 and subject to construction standards established by the Department of Housing and Urban Development (HUD).

Mobile Home: Built prior to June 15, 1976, most, but not all, adhere to American National Standards Institute (ANSI) standards.

Manufactured Home Community (MHC): Though city and state ordinances and laws refer to “mobile home parks”, the term “manufactured home community” is a common industry term. We use it in this Strategy when possible to reduce stigma and set aside the idea that mobility is a key feature of the housing, recognize that houses are homes to the individuals who live in them, and these purpose-built places are communities of people.

This Manufactured Housing Strategy was developed according to the city's Nine-step Decision Making Process and therefore informed by research, stakeholder and public input, and analysis.

It includes:

- Guiding Principles for decision making;
- A Draft Action Plan set to a work plan through 2021; and
- Potential future actions that will be informed by 2019-21 Action Plan work items.

This Strategy is intended to frame the city's approach to and understanding of MHCs in Boulder into the future. The Action Plan features key activities determined to most effectively advance the city's manufactured housing policy objectives over the next several years.

GUIDING PRINCIPLES

Accountability

Agreements, ordinances and requirements will have clearly defined and practical enforcement mechanisms accessible to the affected parties, especially to MHC residents.

Affordability

Manufactured housing will continue to serve as an affordable market-rate homeownership opportunity. Programs and policies be pursued to stabilize rent increases, reduce costs for home repairs, reduce home replacement costs, and reduce energy and water costs of and consumption by households in manufactured housing.

Community

Manufactured housing will continue to meet the needs of diverse populations, especially vulnerable community members. Programs and resources will be employed to support the needs of MHC residents.

Viability

Existing and new manufactured homes and the communities in which they are located will be safe, well-maintained and modernized, especially to become more energy efficient. Both for-profit and nonprofit communities must be able to perform well enough financially to cover current and capital expenses and provide a reasonable return on investment.

...continued from previous page.

➤ STEP 4. SHARE A FOUNDATION OF KNOWLEDGE

The linked items listed here summarize the foundation of knowledge gathered through engagement activities and research.

[Mobile and Manufactured Homes staff memo to City Council, Sep. 17, 2015](#)

Sorce, B., Sullivan, W., and Bauer, K. (2016) [Strategies for promoting mobile home park infrastructure maintenance and upgrades](#). Oakland, CA – DC – Portland, OR: Grounded Solutions Network

Staff scan of national manufactured housing policies, programs and initiativesⁱⁱ (See endnote “i”).

Cantrell, D., Blasingame, A., Ress, D. (fall 2018) [Summary of State-Level Manufactured Housing Rules and Regulations](#). Boulder, CO: CU-Boulder Community Development Law Clinic

[Stakeholder Input Summary](#) (Stakeholder, city staff and service provider input)

➤ STEP 5. IDENTIFY OPTIONS

At a Feb. 26 Study Session, Council supported the following as guiding principles: [Affordability](#), [Viability](#), and [Community](#), and either incorporation of [Accountability](#) as a concept or as a fourth principle. Council recommended analysis of potential actions under the five topic areas listed under Step 6.

➤ STEP 6. EVALUATE OPTIONS/DEVELOP RECOMMENDATIONS

Staff analysis, performed between March and May 2019, explored options under the topic areas below. (In electronic document, click to access links to analysis.)

1. [Pad Rent Stabilization](#)
2. [Infrastructure in Manufactured Home Communities](#)
3. [Energy Efficiency](#)
4. [Land Use Code](#)
5. [Local Licensing and Enforcement](#)

Staff Recommendations & Public Input: Based on evaluation and feedback from the public and council, staff posted draft Guiding [Principles](#) and a recommended [Action Plan](#) with potential [Ordinances](#). In April, staff presented to the Youth Opportunity Advisory Board (YOAB). In June and July, staff solicited public comment on the draft principles, actions and ordinance. A survey was posted on Be Heard Boulder, staff held Office Hours to discuss proposed items and presented to the Housing Advisory Board and Human Relations Commission, both with public input. Individuals on the 100+ person MHS email list, were notified of these opportunities.

➤ STEP 7. MAKE A DECISION

On August 6, 2019, City Council adopted the Manufactured Housing Strategy and Action Plan.

➤ STEP 8. COMMUNICATE DECISION AND RATIONALE

This Manufactured Housing Strategy document serves to communicate the decision and rationale. It will be:

- Available on the Manufactured Housing Strategy website;
- Distributed to the project email list; and
- Highlights will be communicated to manufactured home owners when the Manufactured Housing Communities Handbook for Boulder Homeowners is distributed in 3rd Quarter 2019.

➤ STEP 9. REFLECT AND EVALUATE

Between 2019 and 2021, items on the Action Plan will require full evaluation for potential implementation. Prioritization of action items onto staff work plans will occur annually and progress toward completion of the Action Plan will be tracked. The Future Action items and effectiveness of the Strategy will be revisited at the end 2021.

C. Background

Manufactured Housing in Boulder

At just 2.8% of Boulder's housing stock, mobile and manufactured homes in manufactured home communities (MHCs) comprise a relatively small share of the community's housing.

Table 1. Manufactured Housing by Community

Boulder Meadows	Mapleton	Orchard Grove	Vista Village	Total
633	135	216	302	1,286

However, manufactured housing is a valued housing type that serves a variety of Boulder households and manufactured home communities are pockets of diversity in Boulder.

The Value and Role of Manufactured Housing

MANUFACTURED HOUSING AS AN OPTION

Manufactured housing is valued as a housing option for:

The single-family lifestyle it offers;

Access to a small private yard;

Relative affordability; and

The sense of community within MHCs.

THE ROLE OF MANUFACTURED HOUSING

Manufactured housing meets the needs of a variety of Boulder households, including:

Low-to-moderate-income households, underserved by the traditional homeownership market;

Boulder's diverse workforce;

Households without proof of residency;

First-time homebuyers;

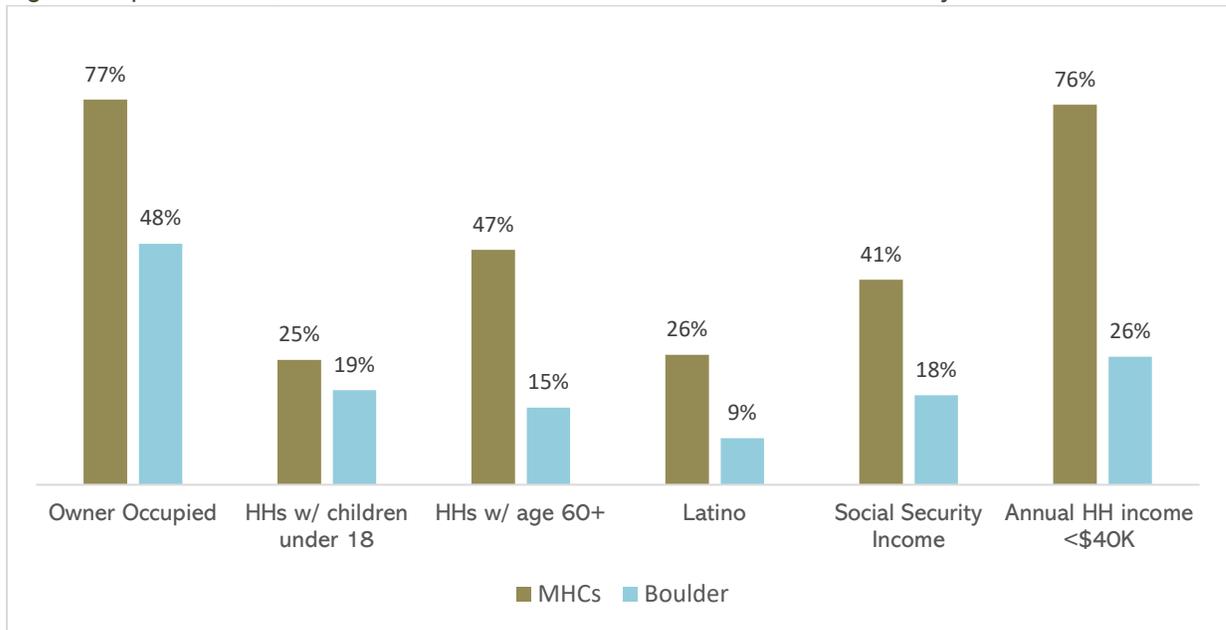
Households that remain in their home for a lifetime; and

Older households seeking to downsize (single-story living, reduced maintenance, reduced costs and access to transit).

DIVERSE NEIGHBORHOODS

Offering a relatively affordable homeownership opportunity, MHCs create a demographic microcosm in Boulder. To better understand the types and level of diversity supported in these communities, the City of Boulder partnered with the Boulder Affordable Housing Research Initiative (BAHRI), a CU-Boulder Outreach and Engagement project, to design a demographic survey similar to the U.S. Census but focused on Boulder’s four MHCs. In Spring 2019, BAHRI distributed the surveys, achieving a 19.8% return rate. Survey responses were approximately proportionate by community (i.e., more surveys returned from larger communities, fewer surveys contributed by smaller communities). Select findings from the [BAHRI Manufactured Home Communities Survey](#) are highlighted below, demonstrating the unique opportunity and potential vulnerability in these communities.

Fig. 1 Comparison Data, Manufactured Home Communities and Boulder Communityⁱⁱⁱ



Comparing BAHRI survey results to 2017 ACS data for Boulder, the following observations can be made:

- Boulder’s four MHCs, which by design provide a high level of homeownership, also appear to support a far larger share of households with lower incomes compared to Boulder.
- A larger share of households responding to the BAHRI survey reported the presence of children under 18 compared to Boulder.
- Nearly half of BAHRI survey respondents reported household members age 60+, compared to less than one sixth of Boulder households.
- Nearly three times as many BAHRI survey respondents identified as Latino compared to the broader Boulder community.
- Twice as many respondents to the BAHRI survey reported Social Security Income compared to Boulder’s residents.

Housing Affordability

HOME PRICES

“... housing insecurity becomes a primary feature of housing affordability.”

p.193. Sullivan, E. (2018) *Manufactured insecurity: mobile home parks and Americans' tenuous right to place*. Oakland, CA: University of California Press

Though home prices in Manufactured Home Communities have risen in recent years, these homes continue to sell for far less than site-built, single-family homes. The range of home sales prices found during a July 10, 2019 scan of home prices ranges from \$25,900 for a singlewide home built in 1965 to an asking price of \$159,000 for a 2017 doublewide. At this same time, the median single-family detached sales price for single-family homes was \$920,000.

The instability of not controlling the land under ones home is the primary driver in the lower sales prices of manufactured housing located in MHCs relative to other housing in Boulder.

LENDING OPTIONS

Homebuyers who cannot purchase a manufactured home outright typically turn either to owner financing or assume a chattel loan for movable personal property. Interest rates for chattel loans in MHCs are approximately double those of mortgage loans and have 10 and 15-year loan terms.^{iv}

“It would sure be nice to get help upgrading my old mobile home.”

~Anonymous Mobile Home Owner
Be Heard Boulder

In 2016, the Federal Housing Finance Agency issued a [Duty to Serve notification](#) to Fannie Mae and Freddie Mac to better serve the manufactured housing market “by improving the distribution and availability of mortgage financing in a safe and sound manner”. Locally, Community Development Finance Institution (CDFI) Impact Development Partners offers a chattel loan option with interest rates several percentage points lower than other options for the most qualified buyers^v. Anecdotally, manufactured home owners indicate that such loan terms are still not adequately favorable for them to consider for home replacement.

In 2019, House Bill 19-1322 Expand Supply Affordable Housing was enacted by the state, transferring \$30 million of unclaimed property trust fund to the Colorado Division of Housing. An allowed use of this fund is “repair, replacement, and disposal of mobile homes”. City staff is exploring this potential opportunity.

PAD RENTS IN MARKET-RATE MANUFACTURED HOME COMMUNITIES

“When I bought my home in 1991, I could afford to live here. Now I can't. Roommates are my solution at present, not a solution I would prefer, and I am a senior. I sincerely hope to live in my home for life.”

~Anonymous Manufactured Home Owner
Be Heard Boulder

While pad rents in income-restricted Mapleton's lots have remained below the rate of inflation, pad rents have increased 4.2% on average annually across the three market-rate MHCs.^{vi} One of the most common concerns raised by home owners on fixed incomes in these communities is the risk of displacement as pad rents increase. Some older residents report using public subsidy and taking on roommates to afford monthly pad rent.

Table 1. Monthly Pade Rent Range in Boulder's Mark-rate MHCs, January 2019

Low	High
\$725	\$800

OTHER COSTS: ENERGY AND HOME REPAIR

Two additional categories of housing cost are energy costs and home repairs. Manufactured home owners spend twice as much per square foot on energy costs compared to single-family homeowners. In 2009, these costs were estimated to be, on average across the country, \$1,800 annually. As documented in the [BAHRI Manufactured Home Community Survey Report](#), the lowest income homeowners, many living on fixed incomes, also often struggle to pay for necessary maintenance and repairs.

In 1991, the city began funding a Mobile Home Repair program, which continues to support income-qualified homeowners to make needed health and safety and energy-efficiency repairs.

Housing Quality and Safety

MOBILE VS. MANUFACTURED HOMES

Homes built prior to June 15, 1976 are termed “mobile homes” and most, but not all, adhere to American National Standards Institute (ANSI) standards. Homes built after that date are termed “manufactured homes” and adhere to the federal Department of Housing and Urban Development (HUD) standards for construction, design, performance and installation. A red label is affixed to these manufactured homes certifying they adhere to HUD standards.

Table 2. Share of Pre-1976 Mobile Homes by Community^{vii}

Boulder Meadows	Mapleton	Orchard Grove	Vista Village
25%	61%	69%	29%

HUD estimates the habitable life of manufactured housing to range from 30 to 50 years, but factors such as location (e.g., dry vs. humid climate) impact a given home's longevity. Home repairs such as reroofing, window replacement and replacing the mechanical components of the home can extend the habitable life of the home.

One area of concern related to pre-1976 homes is a higher rate of structure fires and civilian deaths.^{viii} HUD standards introduced flame spread ratings for surfaces near central heat, water heaters and cooking ranges. Electrical distribution and lighting equipment is another major cause of fire death. Home renovation can address these sources of fire risk in older homes. In addition, construction standards vary among these older homes and therefore not all pre-1976 homes present the same fire risk.

In 2015, the city began hearing from residents of one community that a homeowner was being prevented from selling his pre-1976 home. Like most homeowners, it was his largest asset. Ordinance No. 8043 introduced [10-12-25 Limitation on the Prohibition Sales of Mobile Homes \(B.R.C., 1981\)](#), which simultaneously disallowed the practice of prohibiting pre-1976 home sales while introducing a health and safety inspection meant to put a potential buyer on notice of any health and safety issues in that home.

Divided Asset Ownership

Divided Asset Ownership: Residents own their homes but rent their home sites or pads from the community owner.

While divided asset ownership is the factor that makes manufactured home ownership significantly less expensive than ownership of other housing, this arrangement also results in less housing security for owners of manufactured homes relative to other homeowners and introduces a dynamic of diverging interests between the manufactured home owner and the land owner. Whereas residents typically are interested in maintaining affordability, MHC owners are interested in maximizing revenue. With this noted, in Boulder both parties report an interest in improved communication between parties and all owners of MHCs in Boulder reported a commitment to the well-being of community members.

Infrastructure

EQUITY OF SERVICE

The four MHCs in Boulder have existed between 49 and 56 years. With the exception of the portion of Mapleton located to the south of Goose Creek, original infrastructure systems have not been replaced. Maintenance practices in these communities also vary. In the Feb. 26 study session, equity of service with the broader community was raised as an objective.

PRELIMINARY SUMMARY OF WATER AND SEWER INFRASTRUCTURE ISSUES

To better understand the level of service provided to residents and improvements needed to meet current city standards, Public Works staff reviewed as-built plans and performed site visits in all four communities.

Concerns identified include:

- Water and sewer infrastructure either nearing or beyond useful life;
- Undersized water and sewer infrastructure with poor hydraulics;
- Alignment of water and sewer with homes and lack of readily accessible valves and manholes makes necessary maintenance and repairs difficult;
- Documented frequent disruption of water systems;
- Documented wastewater overflows into public areas and homes; and
- Small diameter systems and sparsity of hydrants for firefighting.

“There have been disruptions in water and sewer service causing homeowners to pay for repairs.”

~Anonymous Manufactured Homeowner
Be Heard Boulder

Utilities staff concluded that full replacement of water distribution and sanitary sewer systems would greatly improve the reliability of water delivery and wastewater collection.

PUBLIC REPLACEMENT OF WATER AND SEWER INFRASTRUCTURE

Estimated Cost of Replacement

Staff then modeled replacement for one community, Orchard Grove, and extrapolated across the remaining communities with unimproved infrastructure to estimate the cost if the city were to replace original infrastructure in these communities. A per home cost was then calculated.

Table 3. Estimated Water and Sewer Replacement Costs for Unimproved Infrastructure

	Low	High
Total (All Communities)	\$52.5M	\$112.5M
Per Home	\$49K	\$105K

Prioritization of MHC Infrastructure Replacement with Other City Water and Sewer Projects

Table 6 provides a high-level summary of the city’s 2019 water and sewer investments.

Table 4. 2019 Water and Sewer Pipeline Investments and Outcomes

Pipeline Projects	2019 City Investment	Pipeline Replaced or Rehabbed
Water Replacement	~\$4M	~4 out of 500 miles
Sewer Replacement or Rehabilitation	~\$3M	~14 out of 375 miles

Prioritization of utility replacement and rehabilitation is based on factors such as age, criticality, vulnerability and risk along with current and/or anticipated regulations, City Council goals, utility level of service goals, and implications related to the Boulder Valley Comprehensive Plan for growth, development, and redevelopment.

If replacement of the infrastructure at the four communities were to be prioritized with other City utility system needs, other higher priorities appear to precede replacement of this infrastructure. Examples of high priority projects are those that have system-wide implications or impact service to large portions of the City, including repairs and reliability improvements to treatment facilities, major water transmission and interceptor sewer pipeline replacements, tank and pump station repairs, source water conveyance systems, source water dams repair, and source water storage system repairs.

State Regulation

COLORADO MOBILE HOME PARK ACT

This Act is a comprehensive state law regulating the relationship between park owners and homeowners originally adopted in 1991. In 2010, city staff worked with the city’s legislative delegation to strengthen the Act. In 2019, city staff again helped inform [House Bill 19-1309 The Mobile Home Park Oversight Act](#), which:

- Created a Mobile Home Park Act Dispute Resolution and Enforcement Program (Program);
- Granted counties and municipalities the power to enact certain ordinances for mobile home parks;
- Extended the time period between the notice of nonpayment of rent and the termination of any tenancy or other estate at will or lease in a mobile home park; and
- Extended the time a mobile home owner has to vacate a mobile home park after a court enters an eviction order.

In recent years, City Council members and staff have been routinely contacted by homeowners and renters in MHCs to intervene in a wide variety of issues (e.g., evictions, disruption of water and sewer services, sewer backups into homes, concern about water quality, and inadequate street lighting). Implementation of the Dispute Resolution and Enforcement program is underway, going into full

effect in May 2020. Staff anticipates a reduced need for local intervention in many of these issues and a potential need for clarification of some elements of the Act.

STATE PROHIBITION ON RENT CONTROL

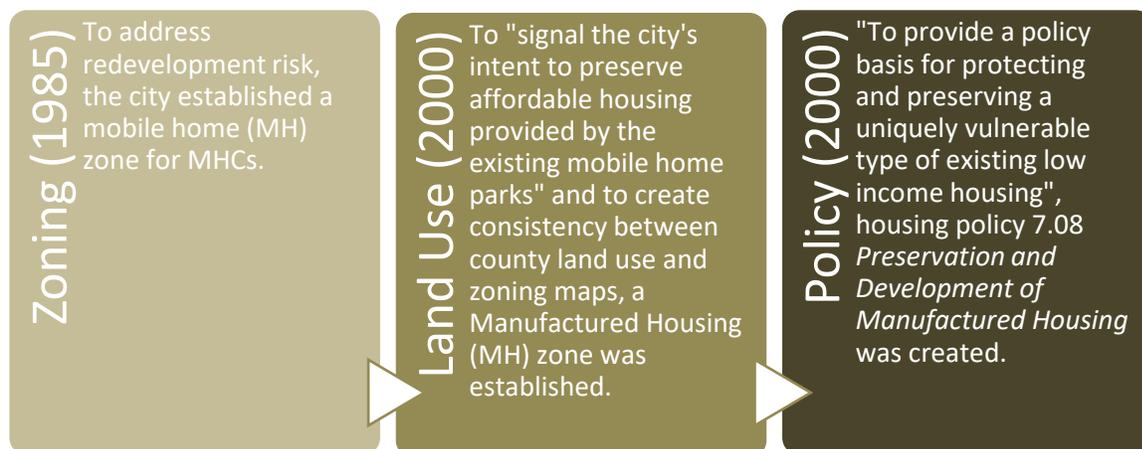
Colorado's statute banning rent control, C.R.S. § 38-12-301, instituted a statewide rent control ban to ensure that, notwithstanding home rule authority, no city or county in Colorado would, as a matter of law, be able to institute a rent control measure. To meet the requirements of the state statute, rent-controlled units must be owned in whole or in part by a housing authority or similar agency. In the case of Mapleton MHP, Thistle Communities, an affordable housing nonprofit and CHDO (Community Housing Development Organization), is a "similar agency" and is allowed to enforce rent restrictions on the 120 affordable lots. Based on an initial legal analysis, it appears that the city cannot enforce rent control or stabilization under this law.

Local Manufactured Housing Policy

MANUFACTURED HOUSING PRESERVATION TOOLS: ZONING, LAND USE & POLICY

In *Manufactured Insecurity: Mobile Home Parks and Americans' Tenuous Right to Place*, professor Esther Sullivan states, "when urban growth occurs...zoning codes make mobile home parks some of the country's most vulnerable communities" (p.187). Up markets such as Boulder's, where growth may be slower, but most housing is high end, present similar challenges. Boulder was one of the first municipalities in the country to recognize this risk and develop a suite of policy tools to reduce redevelopment potential. In 1985, Boulder adopted a Mobile Home (MH) zone as a form of preservation zoning targeted at MHCs. The 2000 major update to the Boulder Valley Comprehensive Plan introduced a new land use to accompany that zoning designation as well as a new policy to define the city's interest in and approach to preservation and development of manufactured housing.

Fig. 2. Policy Tools to Advance MHC Preservation



ALIGNING LAND AND HOME OWNER INTERESTS

Though for-profit MHC owners can operate well run and profitable communities that meet the housing need for the lower income households they serve, increased alignment between the owner of the land and the owner of the home is often best achieved once the profit motive is removed from land ownership.

“Targeting the roots of mobile home residents’ housing insecurity requires imagining new forms of land tenure that move away from the hegemonic model of private property ownership.”

Resident Ownership

Due in large part to the activities of national nonprofit ROC-USA, resident ownership, through formation of resident cooperatives, is nationally the most commonly employed ownership option that aligns home and land owner interests.

p.201. Sullivan, E. (2018)
Manufactured insecurity: mobile home parks and Americans’ tenuous right to place. Oakland, CA: University of California Press

Key advantages of to residents of resident ownership include:

- Control over lot rents, park governance and capital improvement investment;
- Ability to attract financial resources as a homeowner association or co-op that are otherwise unavailable to private investors; and
- Ability to build more equity and receive better loan terms than possible for mobile homes on rented land.

In 2017, affordable housing nonprofit provider Thistle Communities, headquartered in Boulder, became a regional affiliate to ROC-USA, providing residents in MHCs with the technical and financial assistance to purchase their communities.

Despite a long-standing policy commitment to resident ownership, to date there are no Resident Owned Communities (ROCs) in Boulder. Thistle’s presence in Boulder overcomes two major barriers (need for technical and financial support); however, none of the market-rate community owners have expressed intent to sell their communities. With high income potential and therefore values, significant financial resources would likely be necessary for residents or any other party to purchase any of the three market-rate communities in Boulder if it were to come on the market.

Nonprofit Ownership

Nonprofits provide a second option to increase the alignment of homeowner and landowner interests in MHCs. Mapleton Mobile Home Park is owned by Thistle Communities and managed by residents.

PROFILE: RESIDENT-RUN, NONPROFIT-OWNED COMMUNITY

Mapleton Mobile Home Park

Home sites: 135 (120 permanently affordable)

The Mapleton Mobile Home Park offers the most affordable homeownership opportunity in Boulder. Some home sites serve households with incomes at or below 30% of the Area Median Income.^{ix}

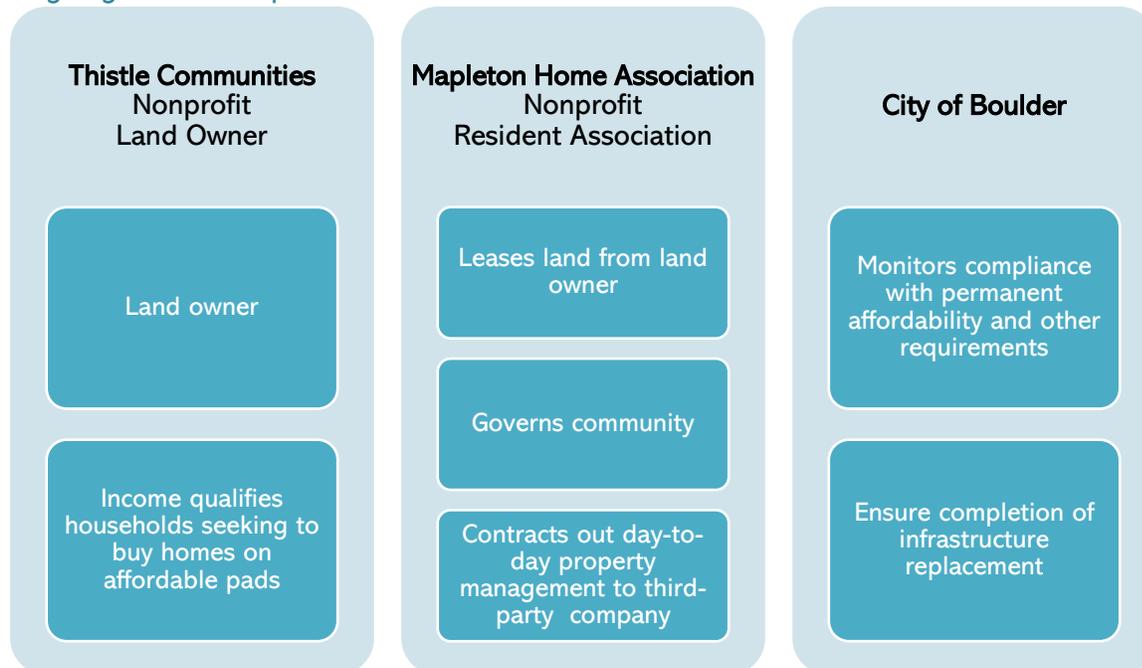
City Purchase. In 1996, the city purchased Mapleton Mobile Home Park with \$3.5 million of the Stormwater and Flood Control Utility Fund to facilitate: planned flood improvements to Goose Creek; resident ownership of Mapleton; and permanent affordability.

Thistle Purchase. The lack of financing options for purchase and infrastructure improvements, and concerns related to park management led the city and resident nonprofit Mapleton Home Association (MHA) to approach Thistle Communities to purchase Mapleton. In 2004, the city sold Mapleton to Thistle for \$2.96 million (with \$550,000 city subsidy funds), retaining some land along Goose Creek for completion of flood mitigation work.

Ongoing Roles. MHA leases Mapleton from Thistle and contracts with a third-party property management company to oversee management.

Infrastructure. In 2007, the city provided \$884K subsidy toward an estimated \$4.7M infrastructure improvements completed south of Goose Creek. Thistle and MHA are working together to secure funding to support infrastructure improvements in Mapleton north of the creek.

Ongoing Roles in Mapleton





“At present, three of my adult children have purchased mobile homes in Mapleton and a fourth is currently in the closing process. I have come to value the unique sense of community fostered in Mapleton.”

~ Isabel Sanchez, Board President
Mapleton Home Association

Municipal Ownership

Though the city plays a strong role in supporting the development and preservation of affordable rental and for-sale housing in the community, the city typically does not own and manage housing. Two exceptions to this were the city’s purchase of the Mapleton Mobile Home Park in 1996 and the 2017 purchase of the Ponderosa Mobile Home Park. In both cases, the city does not intend to play a long-term role in ownership of the land, but instead is able to leverage resources to support the transition to a more stable, secure future.

“It’s a sweet little place to live.”

~Michael,
Ponderosa Resident

“We’re going to live better than the way we do right now.”

~Cesar,
Ponderosa Resident
Leadership Committee
Member



Ponderosa’s 2nd Annual Community Celebration, June 22, 2019

PROFILE: CITY PURCHASED, PERMANENTLY AFFORDABLE, MODULAR,
99-YEAR RENEWABLE LAND LEASE

Ponderosa Community Stabilization

Home sites: 68

Underinvestment in Infrastructure. Infrastructure in the Ponderosa Mobile Home Park is well beyond its useful life. Roads in this community are unpaved and there are no green spaces and few trees. In 2014, the owners of Ponderosa approached the city about replacing water and sewer infrastructure in Ponderosa.

Flood Risk. Adjacent to Fourmile Canyon Creek, Ponderosa is in the 100- and 500-year floodplains and experienced shallow sheet flow flooding in 2013, but all existing homes meet flood elevation requirements.

Housing Challenges. Many homes in Ponderosa are located too close to meet fire safety separation standards. While many are nicely maintained, others are in very poor condition. Standard new manufactured homes are wider and longer than the footprints of most existing homes in Ponderosa. It would be challenging for residents in the poorest condition homes to upgrade to new homes. They would likely require more expensive custom footprints and still not meet fire safety separations. In time, the number of homes in the community would decline and households with inadequate means and few options to remain in Boulder would likely experience deteriorating safety.

Community Engagement. In 2015, the city began working with residents and the owner of the community to find a path forward. The following 11 Goals and Drivers for Ponderosa were informed by residents, the park owner, city staff and council members: (1) minimize disruption to residents; (2) minimize resident displacement; (3) improve resilience; (4) improve health and safety; (5) retain affordability; (6) create certainty for the future; (7) achieve annexation goals; (8) encourage long-term investment in property; (9) improve utility stability, reliability and service; (10) leverage disaster recovery funding; and (11) minimize costs, maximize investment.

Ponderosa Community Stabilization Program. In 2017, the city purchase of Ponderosa using \$4.2 M in flood recovery funds. Goals for Ponderosa include: preserving long-term affordability; annexation into the city; infrastructure upgrade and replacement; reduced flood risk; energy-efficient, modular, affordable fixed-foundation homes (primarily duplexes, with some single-families, one triplex and two fourplexes) with 99-year renewable land leases; new green spaces; new common house; and, once adequately stabilized, transfer of land to an affordable housing nonprofit.

A Commitment to Residents. If the city were to apply all code standards to Ponderosa, through the annexation process and site plan review, many existing households would be displaced and fewer homes would be in the community than there are today. Through annexation, the city can be flexible. In October 2017, in [Resolution No. 1217](#) the city committed to minimize displacement of residents. Flatirons Habitat for Humanity will offer deeply affordable homeownership and rental homes designed with community input. The phased site plan allows residents to remain in their existing homes. New home construction will be driven by residents' choice and Habitat's capacity to build.

Condemnation (Eminent Domain)

The city has not used condemnation as a policy tool; however, through the public input process this topic was raised frequently enough that a high-level overview is provided here so that members of the public who raise this idea are aware of the considerations of such an action.

Condemnation, also known as eminent domain, is the right of a government to take private property for a public use. Under Colorado law, private land can only be taken and transferred to another private entity for development if there is “blight”. Using eminent domain to acquire an MHC would have to be considered carefully to determine if there was a public use and, if the community was to be transferred to a new private owner, whether blight can be established. If eminent domain was determined to be a legally viable option, the city would have to pay fair market value for the property.

LOCAL REGULATION

Local regulation of MHCs is defined in [Chapter 10-12. Mobile Homes \(B.R.C., 1981\)](#). This chapter of the Boulder Revised Code addresses construction, location, installation, use and maintenance of mobile homes in MHCs. However, in areas where the MHPA is silent, the city passed ordinances in 2015 ([Ordinance No. 8043](#)) and 2017 ([Ordinance No. 8216](#)) introducing new resident protections and means of enforcement.

[10-12-25. - Limitation on the Prohibition Sales of Mobile Homes.](#)

[10-12-26. - Limitation on Required Upgrades to Existing Mobile Homes.](#)

[10-12-27. - Trees.](#)

[10-12-28. - Right to Privacy.](#)

[10-12-29. - Retaliation Prohibited.](#)

[10-12-30. - Mediation of Disputes.](#)

From public input and the experience of staff who routinely receive inquiries, additional work is needed to create adequate supports for manufactured home owners to make an inquiry, report a concern and arrive at a determination. Staff who routinely work on these issues attend quarterly coordination meetings. Staff are also creating a guide to support navigation of ordinances.

Ongoing City Efforts

The city continues to engage in a variety of MHC-related efforts.

[Strengthening the collective voice of MHC homeowners and renters.](#) Annually, the city has allocated \$50,000 for services that have been employed to advance residents' rights through policy development, strengthening the collective capacity and voice of MHC residents, and foster constructive MHC resident-manager dialogue.

[Mobile Home Repair Program:](#) In 2019, long-time service provider Longs Peak Energy Conservation, funded by the city to administer this program, discontinued operation. The city has identified the City of Longmont as its partner to perform this work moving forward.

Public Works' [Mobile Home Park Water Metering](#) page and resources page

[Ponderosa Community Stabilization:](#) A program to purchase the Ponderosa Mobile Home Park with plans to preserve long-term affordability, annex the property into the city, replace outdated infrastructure, reduce flood risk to the community, while minimizing the risk of displacement.

[Manufactured Housing Communities Handbook for Boulder Homeowners \(2018 update\)](#)

Creation of a [supplemental guide](#) to help manufactured home owners seek assistance and make complaints under [Chapter 10-12. Mobile Homes \(B.R.C., 1981\)](#).

[Mobile Home Park Resources](#) webpage

[Manufactured Home Community Grants](#) to support community building in Boulder's four MHCs.

[Baseline Inspection Requirements Checklist](#) for MH sellers of homes built prior to establishment of HUD standards

[Coalition of Manufactured home Owners of Boulder \(C-MOB\)](#). City staff support to C-MOB, which convenes six annual resident meetings and fall forum.

[Advocacy for Improvements to the State Mobile Home Park Act](#)



[Zero Energy Modular \(ZEM\) feasibility analysis](#) to explore single-family and MHC ZEM applications as well as potential for a production facility on the Front Range, commissioned in partnership with Energy Outreach Colorado, Habitat Colorado and the Colorado Housing and Finance Authority.

Left: Zero Energy Modular home in MHC in Burlington, VT, 2017



Vista Village Pancake Breakfast, July 20, 2019

D. How will the Manufactured Housing Strategy be used?

This strategy will be used to...

- Support decision-making through agreed upon *Guiding Principles*;
- Advance city efforts related to BVCP Policy 7.08.
- Serve as a record of research and input that informed the creation of the Strategy.

Guiding Principles

These principles identify what the community hopes to achieve with manufactured housing policies and programs and will guide decision-making about how best to accomplish the community's goals.

ACCOUNTABILITY

Agreements, ordinances and requirements will have clearly defined and practical enforcement mechanisms accessible to the affected parties, especially to MHC residents.

AFFORDABILITY

Manufactured housing will continue to serve as an affordable market-rate homeownership opportunity. Programs and policies will be pursued to stabilize rent increases, reduce costs for home repairs, reduce home replacement costs, and reduce energy and water costs of and consumption by households in manufactured housing.

COMMUNITY

Manufactured housing will continue to meet the needs of diverse populations, especially vulnerable community members. Programs and resources will be employed to support the needs of MHC residents.

VIABILITY

Existing and new manufactured homes and the communities in which they are located will be safe, well-maintained and modernized, especially to become more energy efficient. Both for-profit and nonprofit communities must be able to perform well enough financially to cover current and capital expenses and provide a reasonable return on investment.

DISCUSSION OF PRINCIPLES

Affordability

Boulder's nearly 1,300 manufactured homes provide an important type of market-rate affordable homes and maintaining their affordability is a primary concern. This housing provides the most affordable market-rate home ownership option in the community and is typically no more expensive than renting the equivalent size apartment. Without this level of affordability, some MHC residents would be economically displaced from Boulder.

Accountability

The city, MHC residents and MHC owners have expectations of the other parties that are not being met as well as desired, in part because some current accountability mechanisms are unclear or impractical. In addition, both the city and MHC owners have greater resources than individual MHC residents to pursue concerns.

Community

Manufactured housing contributes greatly to Boulder's diversity, disproportionately serving service workers, retirees, people on fixed incomes, undocumented households, and a greater ethnic mix than found in other neighborhoods with detached homes. A variety of services and supports may help the more vulnerable among these households to thrive. Diversity is not exclusively a function of affordability as people have many reasons they prefer this housing option. Retirees and senior residents consider downsizing and single level living with nearby neighbors desirable. Extended families appreciate the opportunity to live in proximity. Immigrants, regardless of documentation status, are often unable to access other types of housing. Many households prefer to own, rather than rent, their homes. The inherent density of these neighborhoods is beneficial for finding community and independence simultaneously.

Viability

Maintaining attractive and well-functioning homes, infrastructure and MHC amenities are shared goals and require significant current and future investment by both owners of manufactured homes and of communities. Modernization or replacement of homes and infrastructure elements represent financial challenges of varying degrees for both parties but are necessary over time. The strategy recognizes the inherent tension between the viability and affordability principles.

“As operational costs and animosity are necessarily increased, the expense and quality of life for all associated with these communities will be diminished. Again, this is precisely the opposite of what is intended.”

Letter, June 29, 2019 from
Tawny Peyton, *Rocky Mountain Home Association*
Glenn Couch, *Uniprop/Boulder Meadows*
Sarah Ruitta, *Riverstone/Orchard Grove*
Harvey Miller, *Vista Village*

E. Action Plan (2019 – 2021) & Implementation

Introduction

This Action Plan presents work items on a quarterly schedule beginning Q3 2019 through Q4 2021. The work items and proposed schedule reflect public, City Council, board and commission feedback on prioritization; estimated staff availability to perform work; and an estimated duration of commitment. This work will need to be prioritized annually by City Council in relation to other City priorities. A revised work plan graphic will be posted on the Manufactured Housing Strategy webpage (<https://bouldercolorado.gov/housing/manufactured-housing-strategy>) as adjustments are made. The following symbols are provided for quick visual reference:

		
Could require general funds or identification of new funds.	Ordinance/code update required	Council adoption timing

Continuing Programs & Actions: What We Will Continue to Do

The following are actions that the city is already taking to support manufactured housing. Assuming availability of funding and staff, the city will continue the following:

- **Resident association support:** Support the collective voice of MHC homeowners and renters and facilitate constructive MHC resident-manager dialogue.  (currently funded)
- **Mobile Home Repair Program** (Note: In 2019, long-time service provider Longs Peak Energy Conservation discontinued operation. The City of Longmont will provide these services moving forward.)
- **Baseline Inspection:** Ensure buyers of mobile homes are informed of their condition.
- **Provide Resident Resources:**
 - [Mobile Home Park Resources](#) webpage
 - [Mobile Home Park Water Metering](#) webpage
 - [Manufactured Housing Communities Handbook for Boulder Homeowners \(2018 update\)](#)
- **Manufactured Home Community Grants** to support community building in Boulder's four MHCs.  (currently funded)
- **Advocate for improvements to the State Mobile Home Park Act**, including:
 - Opportunity to Purchase or Right of First Refusal
 - Funding for resident purchases of parks
 - Strengthening infrastructure standards
 - Adding resident protections provided by city ordinances

Action Plan & Implementation Schedule (Page 1 of 3)

This Action Plan is a city-focused work plan in effect from Strategy adoption through 2021 and pending funding, staffing and annual council prioritization.

Action	Ord? Fund?	Lead Dept.	2019		2020				2021			
			Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
INFRASTRUCTURE												
Explore creating local performance standards: Water and sewer performance, reliability, monitoring, enforcement (Viability)	✓	PW										
Interview MHC owners to identify code constraint limiting infrastructure replacement; develop options to address (Viability)	–	HHS										
Explore MHC utility bill notice requirement (Community)	✓	CAO										
Require MHC owners make available plans for: infrastructure maintenance, replacement and service interruption response (Viability)	✓	CAO PW										
Require MHC owners pay lodging cost during prolonged service disruption (Community)	✓	CAO										
PAD RENT STABILIZATION												
Complete legal analysis for pad rent stabilization ordinance (Affordability)	–	CAO										
Support state legislation to enable pad rent stabilization (Affordability)	–	CMO										(effort to continue if no success in 2019-20 legislative season)
Pursue voluntary agreements (city-MHC owners) (Affordability)	–	CAO HHS										
LOCAL ENFORCEMENT												
Develop, distribute "Resident Navigation Guide" to Chapter 10-12 and other resources (Accountability)	–	HHS										
Initial assessment of MHC-related workload; actual and necessary under current ordinances (Accountability)	\$	HHS										

Ord. = Ordinance; CAO = City Attorney's Office; C+S = Climate + Sustainability; CMO = City Manager's Office; HHS = Housing & Human Services; P&R = Parks and Recreation; PW = Public Works

Action Plan & Implementation Schedule (Page 2 of 3)

Action	Ord? Fund?	Lead Dept.	2019		2020				2021			
			Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
LOCAL ENFORCEMENT (continued...)												
As new MHC ordinances are considered, account for staffing and other needs (Accountability)	\$	HHS										
ENERGY EFFICIENCY												
Explore partnership with Habitat and BVSD or other training institution to create Boulder-based manufacturing site to build zero energy modular (ZEM) homes for Ponderosa and other MHCs. (Viability, Affordability)	-	HHS										
Solar garden pilot in Ponderosa to consider expanding to other MHC residents (Affordability)	-	C+S										
Explore Energy Impact Offset Fund investments to benefit manufactured home owners (Affordability, Viability, Community)	-	C+S										
LAND USE (AFFORDABILITY, VIABILITY, COMMUNITY)												
Parcel analysis to identify any feasible locations for a new MHC (Viability)	-	HHS										
OTHER												
Right of First Refusal or Opportunity to Purchase (Affordability, Viability)	✓ \$	CAO										
Communication Ordinance (e.g., contact information for MHC manager, after hours contacts, payment receipts, Spanish, etc.) (Community)	✓	CAO										
Create new lease requirements (e.g., provide rules and regulations, copy of lease, history of rent increases, etc.) (Community)	✓	CAO										

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Action Plan & Implementation Schedule (Page 3 of 3)

Action	Ord? Fund?	Lead Dept.	2019		2020				2021			
			Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
OTHER (continued...)												
Rec on Wheelz mobile youth services pilot in Ponderosa and Orchard Grove (Community)	-	P&R										
Human services pilot in Ponderosa (Community)	-	HHS										
Support state Dispute Resolution and Enforcement Program rulemaking (Accountability)	-	CMO HHS										
Explore use of state funds for "repair, replacement and disposal of mobile homes" (Affordability, Viability)	-	HHS										
Explore partner interest in home repair education and services (Affordability, Viability)	-	HHS										
Research programs providing alternatives to eviction from MHCs (Community)	-	HHS										
Exploring partner interest in providing a better chattel loan product (Affordability, Viability)	-	HHS										
Encourage and support community-building activities (Community)	-	HHS										
Encourage improved and inclusive communications by all parties (Community)	-	HHS										

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Potential Future Actions: What We Can Consider as We Learn

Based on what we learn between now and 2021, we could consider the following Actions:

- Partner with MHCs on utility system replacements
 - Explore funding in exchange for pad rent stabilization;
 - Collaborate on defining alternative building standards to facilitate infrastructure replacement without loss of home sites; and
 - Consider publicly maintained utilities in any future resident-owned MHCs.
- Pad rent stabilization ordinance following changes to the state rent control statute ✓
- Apply racial equity tools and principles to service delivery planning.
- Update the city's Mobile Home zone to: ✓
 - Enable MHCs in additional zones;
 - Better align the zone with city values (e.g., increase permeability)
 - Facilitate resident-driven home replacement; and/or
 - Enable new housing options while avoiding gentrification.
- Expand onsite human services and/or recreational programs.

ⁱ The city's legislative agenda includes support for "legislation that helps address the power imbalance between owners of mobile homes and owners of mobile home parks".

ⁱⁱ Staff researched policy ideas from other communities, publications and national organizations turned up the following manufactured housing policy resources:

- [Manufactured Home Park Solutions Collaborative: Local Agency Toolkit, State of Oregon, Sept 30, 2016;](#)
- [Affordable Housing Redevelopment Displacement Mitigation Strategy, City of Fort Collins, March 26, 2013;](#)
- [Manufactured Home Strategy](#), Town of Chapel Hill, June 2018;
- [Manufactured Housing Community Tenants: Shifting the Balance of Power, American Association of Retired Persons, 2004; and](#)
- [Manufactured Housing Toolkit, Prosperity Now.](#)

ⁱⁱⁱ 2019 BAHRI MHC survey, 2017 American Community Survey (ACS, 5-year estimates)

^{iv} A September 2014 Consumer Finance Protection Bureau report, [Manufactured-housing consumer finance in the United States](#), found that "about 68 percent of all manufactured-housing purchase loans (chattel as well as real property loans) reported under the Home Mortgage Disclosure Act in 2012 met the definition of a 'higher-priced mortgage loan' (HPML), a definition developed to identify a set of loans that might be considered subprime."

^v Chattel loan rates were reported to range between 9 and 11% at the time of the study. The lowest possible rate through Impact Development Fund was 7.5% for a loan with payoff schedule in 10 years.

^{vi} Average annual pad rent increase was calculated based on pad rent increases reported by MHC owners and representatives and by residents. The average for each MHC was calculated for periods of 10, 13 and 15 years. The three resulting rates of increase were then averaged.

^{vii} Boulder County Assessor's Office, accessed February 7, 2019

^{viii} *Manufactured Home Fires*, National Fire Protection Association, John R., Hall, September 2013.

^{ix} Household incomes that qualify to purchase 120 of the 135 home sites in Mapleton must be at or below 30%, 40%, 50% or 60% of the Area Median Income depending upon which tier the home site is assigned.