



# Manufactured Housing For Affordable Infill Development

City Council Presentation  
March 21, 2017



# Introduction

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**Can manufactured homes be a viable option for affordable infill residential development in single-family zoning districts?**

**Three over-arching questions:**

- Does a difference in the quality of construction exist between site-built and manufactured homes that impacts *neighborhood safety*?
- Do manufactured homes affect the values of surrounding properties?
- Does the presence of a manufactured home on a lot impact the value of the property itself?



# What do we already know?

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- Manufactured homes are safe.
- Manufactured homes are allowed in Corpus Christi, but only in certain zoning districts.
- Manufactured homes have a lower purchase price than site-built housing.
- Zoning exists to protect property values, among other things.
- In other Texas cities with zoning codes, manufactured homes are restricted to certain zoning areas and prohibited in single-family zoning districts.
- Industrialized Housing (Modular Housing) is allowed in any single-family zoning district with stipulations.
- Manufactured homes can be constructed similarly to site-built houses.

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# Codes Regulating Manufactured Homes

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## What inspections are conducted?

- City inspections for setbacks, foundation, stairs/landing to doors, and utility/electricity connections only.
- The State inspects installation on a site.
- FHA may inspect the interior if involved in the financing.



# Zoning

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- Purpose: To protect property values and quality of life, among other things.
- Authority: State statute authorizes cities to regulate the location of manufactured homes, but not modular or site-built houses. Cities cannot prohibit the replacement of a mobile home with a new HUD-code manufactured home.
- Allowable Locations: Manufactured homes are only allowed in Manufactured Home zoning districts:
  - “R-MH” Manufactured Home **Subdivision** – 8 acres min.
  - “R-MH” Manufactured Home **Park** – 5 acres min.
- Existing Zones: How many acres of vacant land are already zoned for manufactured home development?

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# Zoning

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- Planning: Should *the City* plan for and zone more areas for Manufactured Home Subdivisions/Parks to help increase the number of manufactured homes?
- Precedence: Decisions on rezonings are used to help make decisions on future rezonings. A City policy or City position is helpful for handling future requests and affords developers predictability.



# Windstorm Standards

Manufactured Homes (HUD-Code Regulations)	Site-Built Houses (Tx Dept. of Insurance Regulations)
<b>Wind Zone 1</b> - 90 mph	<b>Inland II</b> - 110 mph; Required west of Robstown
<b>Wind Zone 2</b> - 115 mph; Required in Corpus Christi	<b>Inland I</b> - 120 mph; Required in Corpus Christi
<b>Wind Zone 3</b> - 125 mph; Required on Padre/Mustang Island	<b>Seaward</b> - 130 mph; Required on Padre/Mustang Island

- Texas Windstorm Insurance Association (TWIA) insures some manufactured homes and mobile homes but not all.
- TWIA has special forms and rules that apply to these types of structures.
- Texas Department of Insurance (TDI) will not issue a Certificate of Compliance (WPI-8) on a manufactured or mobile home.



# Construction Standards

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- Consumer has various options, various qualities from which to select.
- Consumer can choose a model constructed to standards that are similar to a site-built house. Variations include:
  - Materials used in wet areas.
  - Size and spacing of wall framing and plates.
  - Wallboard vs. Sheet-rock
  - HVAC System – above or below living area
- Repairs
  - Third-party inspection needed for structural/system repairs.
  - Repairs are not regulated/inspected by the City.
  - Do manufactured homes require more frequent maintenance than site-built homes?



## Effect on Surrounding Property Values

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- Zoning: Purpose is to protect property values, among other things.
- Depreciation Rates: From Nueces County Appraisal District
  - Manufactured Homes - 45-year schedule
  - Site-Built Homes - 75-year schedule
- Will a manufactured home hold value over time?
- Will a manufactured home affect the appraised values of surrounding site-built homes, and impact property taxes?
- Does having a few manufactured homes in a neighborhood hurt the neighborhood's chance of **long-term revitalization**

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# Effect on Surrounding Property Values

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- Does the presence of manufactured homes **disincentivize private investment** in surrounding single-family properties
- Is there a lost opportunity in facilitating the renovation or construction of site-built houses?
- Does the classification as **real property vs. personal property** make a difference?
  - Does a difference in the foreclosure process impact the neighborhood?



# Neighborhood Character

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- Can a manufactured home fit in aesthetically with the other houses in a neighborhood?
- How does the City protect a neighborhood from becoming a Manufactured Home subdivision?
- Can and should the City allow manufactured homes in single-family neighborhoods only where the value of the manufactured home is equal to the average value of surrounding houses?



# Considerations for New City Policy

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**If developed into a city-wide program, the following ideas should be evaluated:**

- Allow by-right with certain stipulations to reduce the number of rezonings needed and to reduce fees for developer, or:
  - Should public hearings be required for each site, such as through a Special Use Permit?
  - Should the City test this program in multifamily zoning districts first?



# Considerations for New City Policy

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- Prohibit manufactured homes in select neighborhoods where revitalization is being encouraged or anticipated, in historic areas, or in neighborhoods with a particular aesthetic that manufactured homes cannot replicate.
- Find methods to prevent neighborhoods from turning into manufactured home subdivisions.
  - Restrict to neighborhoods with only a few vacant lots.
- Require certain architectural features to increase compatibility with surrounding site-built houses:
  - Conventional siding, skirting, conventional roof shingles, landscaping, windows, eaves, porches, carport, double-wide, entry door on the front rather than side, etc.

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# Considerations for New City Policy

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- Require higher construction standards to increase compatibility with surrounding site-built houses:
  - Require Wind Zone 3 – 125 mph
  - Require stronger framing materials
  - Require a certain foundation
- Require homeownership or allow rentals
- Real vs. personal property
- Allow only new manufactured homes
- Standards for maintenance
- Is additional stakeholder outreach needed?
  - Appraisers, Realtors, Homeowners Associations, etc.



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# Questions