



Manufactured Housing For Affordable Infill Development

City Council Presentation
March 21, 2017



Introduction

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?
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What do we already know?

- 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

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

- 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

- 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)
Wind Zone 1 – 90 mph	Inland II – 110 mph; Required west of Robstown
Wind Zone 2 – 115 mph; Required in Corpus Christi	Inland I – 120 mph; Required in Corpus Christi
Wind Zone 3 – 125 mph; Required on Padre/Mustang Island	Seaward – 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

- 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

- 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

- 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

- 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

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

- 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

- 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.



Questions