

# Manufactured Housing For Affordable Infill Development

Planning Commission Presentation April 5, 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?



# Housing Types

- ➤ Site-built homes
- ➤ Industrialized housing (or modular homes)
- ➤ Manufactured homes



# What do we already know?

- Manufactured homes are safe.
- Manufactured homes are allowed in Corpus Christi, but only in the "R-MH" Manufactured Home zoning district.
- ➤ Manufactured homes have a lower purchase price than site-built housing.
- Zoning exists to protect property values, among other things.
- ➤ In many Texas cities with zoning codes, manufactured homes are restricted to certain areas and prohibited in single-family zoning districts.
- ➤ Industrialized Housing (Modular Housing), which is different than manufactured homes, is allowed in any single-family zoning district with conditions.
- Manufactured homes <u>can</u> be constructed <u>similarly</u> to site-built houses.



### Codes Regulating Manufactured Homes

#### **Building Codes**

- ➤ 2015 International Residential Code (IRC), adopted by Corpus Christi
  - For site-built and modular dwellings
- > Federal Housing & Urban Development (HUD) Code
  - For manufactured homes

#### What inspections are conducted?

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



# Zoning

- <u>Purpose</u>: To protect property values and quality of life, among other things.
- ➤ <u>Authority</u>: State law authorizes cities to regulate the location of manufactured homes, but not modular or site-built houses.
- 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?



# Zoning

- ➤ <u>Planning</u>: Should *the City* plan for and/or 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
<b>Wind Zone 2 –</b> 115 mph; Required in Corpus Christi	<b>Inland I –</b> 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.

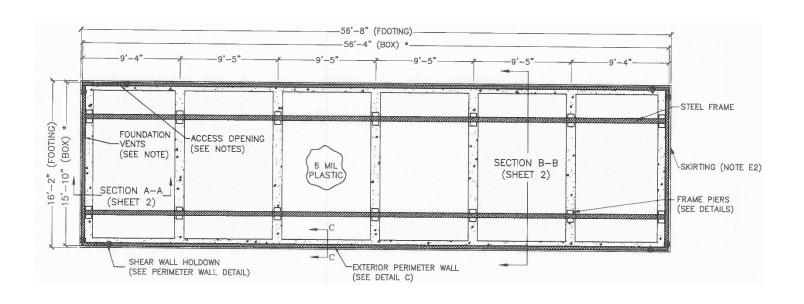


#### Construction Standards

- 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?

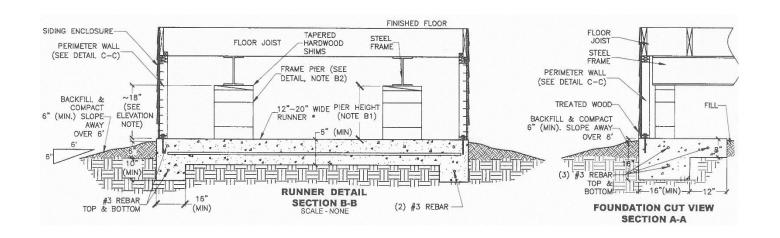


# Foundation Type





# Foundation Type





#### 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**



#### Effect on Surrounding Property Values

- ➤ Does the presence of manufactured homes **disincentivize private investment** in surrounding single-family properties?
- ➤ Does allowing manufactured homes in single-family neighborhoods create a missed opportunity for the renovation or construction of site-built houses?
- ➤ Does the classification as **real property vs. personal property** make a difference?



# 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?
- ➤ If the value of the manufactured home is comparable to the surrounding houses, then should the manufactured home be considered "compatible" with the neighborhood?



## Neighborhood Character Lynch Street







## Neighborhood Character Lynch Street







### Neighborhood Character Central Street







### Neighborhood Character Central Street







### Considerations for New City Policy

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

- ➤ Allow by-right with certain conditions or in an overlay district to reduce the number of rezonings needed and to reduce fees for developer, <u>or</u>:
  - Should public hearings be required for each site, such as through a Special Use Permit or Planned Unit Development?
  - 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.



### 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