

# AFFORDABLE HOUSING TASK FORCE

February 5, 2015

Final Report to City Council on Existing Mobile Home Park Conditions within the City of Morganton and the Need for adoption of a Non-Conforming Amortization Policy

## **Task Force Members:**

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## **BACKGROUND**

An Eight (8) member Affordable Housing Task Force was appointed on November 3, 2014 by the Morganton City Council. This group was appointed in response to issues arising during the City's 2014 Zoning Ordinance revision process. The task given to the group was to determine if conditions existed within Morganton's Manufactured Housing Parks that causes harm or endangerment to the health, safety and general welfare of the surrounding community, park residents, adjoining property owners, and the City in general; and if such adverse conditions did exist, what method should the City Council use to solve or eliminate those conditions and to report the results by February 15, 2015.

The adverse issues which were perceived in MH Parks was first discussed at a joint workshop of the Planning and Zoning Commission and City Council on September 11, 2014. Numerous adverse conditions were discussed ranging from M.H. Parks experiencing owner neglect, to ones that were in aesthetic decline, unit overcrowding, deteriorating safety conditions, decreased adjoining property values, increased fire hazards, ongoing public nuisance issues, and general lack of on site management. These conditions were being perceived as a general decline of M.H. Parks within the City's jurisdiction. The City's planning staff indicated at that meeting that nearly all of Morganton's present day mobile home parks were built prior to 1985 and were classified as legal Non-Conforming Situations in regard to the present day zoning ordinance.

The City's mobile home park ordinance, which was established in 1985, was part of an overall Zoning Ordinance Revision Process at that time. The 1985 ordinance placed a 4 dwelling unit per acre density limit, a 25 foot spacing requirement between units, and various other development standards on newly developed parks; however, the 1985 ordinance permitted existing M.H. Parks to remain in their present condition without any requirement for park upgrades. Individual units within existing parks could also be replaced without any park upgrades.

During the Joint Workshop, city staff explained that full ordinance compliance could only be achieved through a properly implemented Non-Conforming Park Amortization Process. This process establishes a period of time within which non-conforming park owners could bring their facilities up to the present day standards. After such period has elapsed, any park which is not up to standards would be considered a violation of City Code. Both the Planning Commission and City Council at their September workshop instructed the City staff and Planning Consultant (Benchmark Planning) to prepare an amortization ordinance in conjunction with the new 2014 Zoning Ordinance proposal that would in effect implement the 1985 adopted standards. The Amortization Proposal submitted by the staff and consultant was incorporated into the Proposed Zoning ordinance and advertised for public review.

A Public Hearing was held by the Morganton Planning and Zoning Commission on October 9, 2014. During this hearing, many MH Park owners spoke in opposition to the proposal and as a result the Planning Commission withdrew the proposed Amortization from the new Zoning Ordinance Draft but recommended a Task Force be created to further study this issue and return any recommendations that they may find.

## TASK FORCE FINDINGS

The Affordable Housing Task Force organized and began its work in December of 2014 under the advisement of Lee Anderson, Director of Development and Design Services; Terry Jordan, City Zoning Administrator; Louis Vinay City Attorney; Lisa Helton, HUD Grant Administrator; Russ Cochran, City Planner; Chief Ronnie Rector, Morganton Public Safety, and Mike Crotts Chief Building Inspector. These individuals provided the Task Force with background information and professional opinions related to the subject at hand. Information examined included:

1. The 1985 and 1996 zoning ordinances related to M. H. Park regulations.
2. The 2014 proposed Amortization Ordinance
3. An Analysis of multiple existing mobile home parks within the City of Morganton's Jurisdiction that included:
  - a. aerial photos
  - b. ground photos
  - c. News Herald Articles
  - d. P&Z Commission Minutes
  - e. M.H. Park Owner Correspondence
  - f. A 12 month summary of Public Safety call responses to existing M.H. Parks
  - g. Acreage calculations for each M.H. Park
  - h. Unit and space counts for each park
  - i. Tax value calculations of existing M.H. Parks
  - j. Break down of Rental units versus Owner Occupied units within each park
  - k. Density calculations for each park

The Task Force examined the information presented above, conducted interviews with City professionals and gathered information from Task Force members who represented the M.H. Park industry, Land Appraisal, Affordable Housing, Public Housing, Planning Commission, and Faith based organizations in Morganton. From this work, the following Facts were discovered:

1. There is only one existing mobile home park in compliance with the 1985 ordinance within the City of Morganton's Zoning Jurisdiction, and that is Greenfield Village/Amherst Road. The park would become non-compliant under the new ordinance proposal due to the age of existing M.H. units.
2. 23 units within a M.H. Park at 300 Fletcher Street are currently being demolished due to minimum housing code violations and owner neglect at Taxpayer expense of \$9800. A lien will be placed upon the property by the City of Morganton.
3. The Airpark Drive mobile home park which had previously been a problem has been purchased and is currently undergoing renovations under a new developer.
4. Based on observation and analysis, several M.H. Parks are well managed with on site management. These parks have less complaint and nuisance issues.
5. State legislation was changed in 2012 which removed the City's ability to require landlords to obtain City Rental Registration Permits requiring routine minimum housing inspections within M.H. Parks; and, under the new Legislation, Minimum Housing Inspections can now only be made upon request by the owner or the tenant or upon evidence that utilities have been off for more than 6-months to the unit, or upon more than 5 complaints being received from surrounding citizens, or upon visual evidence to the Building Inspector that life and safety is at risk within the unit.

6. Amortization is a legal method of Land Use Authority that would provide M.H. Park owners a timeline to replace units, improve the park, and otherwise comply with City Zoning Code requirements.
7. Mobile home tenants are there because of economics.
8. M.H. Parks provide housing that is affordable and close to places of employment.
9. M.H. Park owners indicate their housing can be the last resort prior to homelessness.
10. Tenants of M.H. Parks often find it difficult or impossible to obtain housing assistance or opportunity through traditional avenues such as the Housing Authority and Section 8. This is due to several factors i.e. (past criminal record, poor credit history, or citizenship status.)
11. M.H. Parks are a Land use issue but also they are an affordable housing issue
12. M.H. Park owners may have substantial debt repayments and amortization would adversely impact the landlords ability to service their debt payments.
13. Many Park owners have sold their M.H. units to their tenants. These tenants would likely be displaced if they were required to upgrade to a newer M.H. or had to move their unit out of the park due to the amortization.
14. Landlords would find it difficult to evict tenants through the amortization process. The costs associated with eviction is expensive and time consuming.
15. M.H. Parks that are in poor condition negatively impacts adjacent neighborhood values due to their location and proximity to other housing.
16. The lack of minimum housing inspections and lack of reinvestment in the aging units, creates a situation where dangerous and unsafe living condition can be established in the homes and within the park.
17. The close proximity of M.H. units within some Parks, creates a fire hazard that can spread very rapidly to other adjacent units.
18. The average M.H. unit can be fully engulfed by fire in 5-7 minutes.
19. M.H. Park owners will find it very difficult to purchase 1994 model or newer units to place in their park due to availability, relative price, and size of unit. All of these conditions will impact the landlords return on investment.
20. M.H. units that are maintained properly can last more than 50 years.
21. M.H. units that are not maintained properly, especially the roof, can decline very rapidly.
22. There does not seem to be a direct correlation between park density and public safety calls.
23. M.H. parks that fall into disrepair often become havens for drugs and other illegal activities. They can also become homes for squatters and the homeless who create their own fire issues from open fire building for warmth and cooking when no electricity is available and decrease in garbage and sanitary conditions when no water and sewer is connected and trash receptacles are not present.
24. There appears to be little if any interest from neighborhoods, businesses or other citizens willing to speak out in favor of Amortization.
25. M.H. Park owners will often purchase large Liability Policies to protect them against loss of life or property within their parks.

## **RECOMMENDATION**

**After examining the data collected and considering the information obtained from City professionals, and after having direct dialogue with members of Task Force who represent various facets of this topic, the Affordable Housing Task Force does not recommend enacting amortization policies for non-conforming mobile home parks. (6-2 Gordon, Lennon opposed) It was the general consensus of the group that conditions found within numerous parks within the City's jurisdiction are objectionable and do create adverse conditions for both residents within the parks and upon owners and residents of adjacent properties; however, the Task Force does not believe these conditions are consistent throughout all M.H. Parks.**

**A large majority of Morganton's M.H. parks are small with less than 5 M.H. spaces. Many are family owned and offer affordable living conditions for those owners and tenants occupying those units. Even the largest of Morganton's M.H. Parks, Greenfield Village, complies with the 1985 City Zoning Standards and has been found to generate almost no adverse conditions to its residents or adjacent properties.**

**It is the consensus of the group that most negative issues found within existing mobile home parks are derived from Park owners who do not take an active role or responsibility for their tenants or any adverse conditions found within their parks. These owners do not provide appropriate on-site management or manage tenants in a manner to prevent nuisance issues from occurring that create unsafe and unsanitary living conditions. These conditions endanger not only park residents but also the surrounding community.**

**Absentee ownership and lack of M.H. Park Management are two conditions that appear to be the common denominator within problem M.H. Parks. To a lesser extent these conditions also occur within certain apartment buildings within the City as well as certain hotel properties. First the property falls into a state of disrepair through owner neglect or mis-management. Problem tenants are allowed to stay within the property, which generates more nuisance conditions followed by more criminal activity and eventually substandard and dangerous living conditions.**

**Responsible Landlords acknowledge liability for the conditions that exist within their parks. Many carry liability insurance to cover instances that occur within their park, but even these Park Landlords offer no solutions to the overriding problems identified in the study to deal with problem parks. M.H. Parks can be very profitable as evidenced through income approach appraisals. These appraisals can be up to 10 times higher than their current tax value appraisals. Problem Parks generate a lot of public safety and public nuisance issues; but pay very little in Property Tax compared to actual values of the property.**

**It is the Affordable Housing Task Forces opinion that M.H. Parks offer affordable housing to individuals that otherwise have no other options for housing inside the City of Morganton. The majority of Park Owners are responsible and create few if any issues; however there are certain park owners that tolerate individuals within their park that are conducting illegal activities, create nuisance conditions, offer substandard living conditions which create problems in the surrounding community. The Task Force would recommend the City utilize existing rules, regulations and authority to remedy these issues rather than lumping all M.H. Parks into one category.**

Map ID	Property Address	Property Value	Owner	Acreage	Number Of MH Sites	Rental Units	Owner Occupied Units	Density/A cre	Calls
1	155 AMHERST RD	\$745,138	GREENFIELD VILLAGE NC LLC	21.32	85	30	55	4	0
2	1877L1/32 DUCKWORTH AVE	\$212,363	WILLIAMS RALPH ERVIN	11.73	32	4	28	3	49
3	107A/R ROSS ST	\$187,499	TABET JOHN S JR ET AL	2.71	27	13	14	10	22
4	300L11/27 FLETCHER ST	\$137,435	KCS EQUITY VENTURES LLC	7.13	26	20	6	4	36
5	ROSS ST	\$183,691	TABET JOHN S JR ET AL	2.56	25	0	25	10	12
6	3186L1/L22 HIGH PEAK MTN RD	\$152,614	FOSTER RENTALS	3.48	22	21	1	6	4
7	200A/T CLINE PL	\$200,493	SHIPBAUGH JOE	1.64	10	0	10	6	0
8	215A/M SHUFFLER RD	\$104,784	GOLDEN BEAR FARMS OF NC LLC	2.12	14	14	0	7	5
9	221A/E 3A/E 5A/E VFW RD	\$124,031	SHUFFLER PARK LLC	2.3	14	13	1	6	0
10	134A/K WALKER RD	\$97,909	FORJEN LLC	1.34	12	6	6	9	99
11	314L1/12 FLETCHER ST	\$106,091	BOWMAN BRIAN AUSTIN	3.69	12	10	2	3	51
12	200 MORGAN DR	\$136,013	BAIRD DAVID L & BETTYE M	1.15	8	9	0	7	0
13	807A/F VINE ARDEN RD	\$79,036	NORMAN WOODROW T & FAYE F	9.83	7	1	6	1	0
14	121 123 127 VIEW ST	\$95,923	BROWN ALAN M	1.09	7	2	5	6	3
15	212 220 S CHESTNUT ST	\$54,993	TOWERY JEFFERY W	0.5	6	5	1	12	0
16	418A/E LONDON ST	\$36,592	HOKE STARLA B	0.65	6	4	2	9	5
17	111A/E CURTIS ST	\$46,450	MOSES FRED	0.67	5	0	5	7	3
18	210 STEAKHOUSE RD	\$24,700	TOWERY PAULINE & COFFEY LINDA	0.44	4	0	4	9	3
19	842A/L VINE ARDEN RD	\$38,069	WHETSTINE BEULAH T TRUSTEE	0.9	4	0	4	4	9
20	518L1/3 E MEETING ST	\$64,315	TOWERY JEFFERY W	0.43	3	4	0	7	0
21	840D/F VINE ARDEN RD	\$28,750	WHETSTINE BEULAH T	0.46	3	0	3	7	0
22	215 GLENDALE ST	\$38,298	FORJEN LLC	0.6	3	3	0	5	1
23	108 110 BROOKSIE ST	\$101,511	MOSES BEULAH MAE DEC & MOSES F	1.2	3	2	1	3	1
24	114 DOUGLAS DR	\$36,013	IRVIN CIRCLE K ENTERPRISES LLC	0.76	3	3	0	4	0
25	3371 JEWEL ST	\$69,352	BRADSHAW RANDY N & BRADSHAW R	4.87	3	1	2	1	6
26	117 119A/C MYRTLE ST	\$70,865	PARRIS CHARLES L & BARBARA F	0.37	3	4	0	8	7
27	500 ROCKYFORD ST	\$14,450	MCDANIEL ROBERT	0.15	2	1	1	13	0
28	208 10 12 CARBONDALE LN	\$57,444	BROWN ALAN & GAYLE M	0.6	2	3	0	3	3
29	1249 1251 BETHEL RD	\$39,285	REESE LENA CURTIS	1.07	2	1	1	2	7
30	126 128 130 132 ELM ST	\$89,818	FINLEY RICKEY J & KATHY M	0.87	2	2	0	2	0
31	102 104 106 108 HOLLAND DR	\$84,702	GETTYS MARTHA ET AL	2.8	2	3	0	1	0
32	1405A/F E UNION ST /MORG	\$51,648	MCDAVID TERESA & PARKER IAN	2.77	2	1	1	1	1
33	802 ST MARYS CHURCH RD	\$91,165	WEBB CLARENCE E DECEASED	4	2	1	1	1	0
34	125A/C CAMELLIA GARDEN ST	\$526,009	KIM CHIN P & KYUNG JA	3.56	2	1	1	1	46
35	1315 CARBON CITY RD	\$66,790	LONG BARRY DEAN & KIMBERLY C	0.32	2	2	0	6	14
36	1921L1/L2 DUCKWORTH AVE	\$60,870	BUCHANAN CAROL J	14.72	2	0	2	0	0
37	210 BURKE DR	\$36,800	ROGERS CHARLES J & ELAINE B	0.38	2	1	1	5	0
38	125 LEONHARDT RD	\$30,788	LACKEY DANNY LANE	0.58	2	2	0	3	5
39	705 E PARKER RD	\$133,638	EVANS CYNTHIA C & EVANS ANDREW	3.04	2	2	0	1	1
40	211 BELIEVERS WAY	\$28,193	ROBINSON PHYLLIS T LIFE ESTATE	0.31	2	1	1	6	0
41	710A/B 712 E PARKER RD	\$77,909	DENTON PRESTON R & BEATRICE RI	1.5	2	1	1	1	3
42	840A/C VINE ARDEN RD	\$24,800	WHETSTINE BEULAH T	0.48	2	0	2	4	0
43	134 WHISPERING PINE ST	\$28,862	CLARK BRYAN C	0.64	2	1	1	3	1
44	136 DOGWOOD RIDGE RD	\$46,435	GANTT LORA T	0.92	2	1	1	2	0