MANUFACTURED HOUSING AND FLOOD RECOVERY IN LYONS, COLORADO

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LEAF

Lyons Emergency Assistance Fund

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EXECUTIVE SUMMARY

In November 2014, the Lyons Emergency Assistance Fund (LEAF) commissioned a study of the potential role of manufactured housing in Lyons' long-term flood recovery. This executive summary highlights the main findings of the study and important questions about manufactured housing.

WHAT IS THE PURPOSE OF THIS REPORT?

This report is intended as an informational resource for the Lyons community about manufactured housing and flood recovery. It is not a plan for manufactured housing or a project proposal. Instead, it asks basic questions that will help to inform the ongoing discussion of where manufactured housing fits in the overall recovery.

WHAT IS MANUFACTURED HOUSING?

Manufactured houses, sometimes called mobile homes or trailer homes, are housing units that are built in a factory and on a permanent steel chassis. A mobile home is a manufactured home that was built before June 15, 1976, the date the federal department of Housing and Urban Development (HUD) began enforcing standards for the construction, design, performance, and installation of such homes. All manufactured homes constructed after June 1976 must contain a red label certifying they meet HUD standards.

Manufactured homes are different than modular homes. Modular homes are built using factory constructed parts which are then transported to the building site and assembled. Modular homes must be placed on a fixed foundation and conform to local building codes.

WHAT ROLE DID MANUFACTURED HOUSING PLAY IN LYONS BEFORE THE FLOOD?

Prior to the floods, there were approximately 56 manufactured homes in Lyons, most located in the Riverbend and Foothills communities. Manufactured housing served a diverse population. According to the Lyons Human Services and Aging Commission, 75% of families living in manufactured housing had a member who was 65 years or older, and approximately 25% had children under 18. Manufactured housing also served a low-to-moderate income population. The average income of households living in the two communities was under $30,000, compared to a median of $89,063 for households in Lyons generally. A substantial number of manufactured housing residents were low or very low income.

WHAT ARE THE STRENGTHS AND WEAKNESSES OF MANUFACTURED HOUSING AS A HOUSING TYPE?

There is a renewed debate in the United States about the desirability of manufactured homes as a type of affordable housing. The following table summarizes some of the mostly commonly discussed strengths and weaknesses of manufactured housing. Note that these are *potential* strengths and weaknesses; each community is different, and many of these characteristics are shaped locally.

STRENGTHS	WEAKNESSES
Affordability (cost of housing unit)	Treated as personal property
Low-to-medium density	Depreciating asset
Amenities of a single-family home	Affordability can be undermined by rising lot rents
Unsubsidized / private market affordability	HUD standards outdated
	High cost of ownership (utilities, transport fees, disposal)
	Insecurity: pad leases, community rules, etc. can be changed or terminated by owner
	Lack of alternatives if home needs to be moved
	Single-story = medium-low density per acre

DO LOCAL REGULATIONS ALLOW FOR MANUFACTURED HOUSING?

Yes, the land use code of Lyons allows for a property to be zoned to allow the construction of a new manufactured housing community. Any zoning action to create a new manufactured housing community will require at least two opportunities for public discourse, with the final decision resting with the Board of Trustees. If a potential site is located outside the current town limits of Lyons, additional hearings will be required to annex the site prior to development.

IS MANUFACTURED HOUSING ELIGIBLE FOR FLOOD RECOVERY FUNDS?

According to the Division of Housing at the Department of Local Affairs, a manufactured housing project could qualify for CDBG-DR funds, for purchase of the housing units, infrastructure, land acquisition, and other development related costs. The manufactured homes would need to be Energy Star certified and conform to other standards set forth in the state Action Plan. The Division of Housing has indicated that certain features would make a manufactured housing project more competitive for funding, with ongoing affordability a major concern of the program. Manufactured housing may not be eligible and would not likely be competitive for tax-credit financing, another major source of affordable housing funds.

On an individual level, Boulder County residents who had their homes damaged or destroyed during the 2013 floods may qualify for the Boulder County Flood Recovery Down Payment Assistance Program, which provides a 5-year forgivable loan up to $50,000. These funds may be used to buy or replace a manufactured home, and priority is being given to households living in manufactured or mobile homes at the time of the flood. These funds cannot be duplicated by other sources of disaster recovery assistance, like flood insurance payouts or a FEMA award.

WHAT ARE SOME POTENTIAL DEVELOPMENT SCENARIOS FOR MANUFACTURED HOUSING?

In general, a manufactured housing project will face the same challenges as post-disaster housing development in Lyons generally, especially the lack of available land, high cost of land per acre, and high cost of infrastructure. These challenges make housing development expensive regardless of housing type, and highlight the fundamental challenge that has faced the Town since the flood: how to create replacement housing that meets the needs of displaced residents, in terms of quality, size, proximity to town, while also being affordable? While the report describes some pathways to potential development of a manufactured housing community, in the current environment it will likely be small scale and cost/affordability will be a major challenge. The report does highlight opportunities for a manufactured housing developer to access federal and state recovery resources, which could help to mitigate some of the challenges described above while introducing some additional rules and oversight.

Development of a new manufactured housing community might be undertaken by a public (e.g. housing authorities), private (e.g. property developer), nonprofit or co-operative (e.g. resident owned communities) entity. While private investment and ownership is possible, development could also involve partnerships between investors, developers, owners and residents through a range of development and ownership models. Federal and state disaster recovery funding could play a number of different roles in development, and each development model carries certain benefits and tradeoffs. A unique approach that Lyons might consider is the Resident Owned Community model, where residents collectively own and manage the land beneath their homes, potentially with mechanisms to ensure affordability over the long term.

KEY TERMS

One of the barriers to conversations about manufactured housing is widespread confusion over basic terminology, especially the differences between 1) manufactured homes, 2) mobile homes, and 3) modular homes.

The department of Housing and Urban Development (HUD) defines a manufactured home as “dwelling units of at least 320 square feet in size with a permanent chassis to assure the initial and continued transportability of the home.” The difference between a manufactured home and a mobile home is simply a matter of the date the home was constructed. A mobile home is a manufactured home that was built before June 15, 1976, the date that HUD began enforcing standards for the construction, design, performance, and installation of such homes, pursuant to the National Manufactured Housing Construction and Safety Standards Act of 1974. All manufactured homes constructed after June 1976 must contain a red label certifying the structure meets HUD standards, and are commonly referred to as “HUD-code” units. An example of the HUD label can be seen here.

Among the general public, the term mobile home generally refers to a wide range of factory constructed housing, including manufactured homes and trailer homes. From a housing, development, and regulatory standpoint, however, a mobile home is one “that was built prior to 1976 and constructed to the American National Standards Institute (ANSI) A-119.1 Standard” (see DOLA 2014). These homes were typically placed on a temporary foundation (see Elbert County

2014). Mobile homes built in Colorado between 1971 and 1976 received a 'State of Colorado Mobile Home Certification Label.'

The term trailer home describes a variety of housing products produced prior to the ANSI and HUD codes, and were built to varying standards and in different sizes.

Modular homes are built using factory constructed parts which are then transported to the building site and assembled. Modular homes must conform to current state standards in Colorado, including the International Energy Conservation Code. Modular homes must be placed on a fixed foundation and conform to local building codes regarding wind and snow. While modular homes are sometimes transported on a steel frame or chassis, it is removed during the on-site construction process. They are identified with a silver label placed beneath the kitchen sink. Unlike manufactured homes, they do not have continued transportability.

Because both kinds of housing involve factory constructed parts, there is widespread confusion about the differences between modular and manufactured housing. Modular homes are different from manufactured homes in several important regards. Perhaps most important, unlike manufactured homes, modular homes are treated largely the same as on-site/stick-built homes by the real-estate market and by lenders. Unlike manufactured homes, they are often multiple stories, and can be built and configured to many different sizes and layouts. For these reasons and others, they also tend to be more expensive than manufactured homes. In many practical respects, modular housing is more similar to stick-built homes than manufactured ones.

Site-built homes are those constructed on the parcel of land and include both stick-built and modular homes.

The Marshall & SWift Residential Cost Handbook provides a useful definition of manufactured housing and the differences between manufactured and modular homes:

Manufactured homes are residential structures built on a steel undercarriage with necessary wheel assembly, to be transported to a permanent or a semi-permanent site. The wheel assembly can be moved when the house is placed on a permanent foundation, but the steel undercarriage remains intact as a necessary structural component. In some instances, the presence of a steel undercarriage as a necessary structural component is the primary distinguishing factor between a higher-quality manufactured home and a modular home.

INTRODUCTION: MANUFACTURED HOUSING AND THE 2013 FLOODS

In September of 2013, heavy rainfall triggered historic flooding along the Colorado Front Range. The Town of Lyons was at the epicenter of the disaster. Besides widespread damage to the town's infrastructure, parks, and public facilities, Lyons suffered significant damage to housing. All told, 215 housing units were damaged or destroyed, more than 20% of the town's housing stock.

About 20% of the housing units affected by the floods were *manufactured homes*. Manufactured homes, sometimes called mobile homes or trailer homes, are pre-manufactured housing units that are built entirely in a factory and then transported to a building site. Even when set on a permanent foundation, manufactured homes keep their fixed chassis for future transportability.

Lyons had three manufactured housing communities prior to the floods, two of which were heavily impacted: Riverbend and Foothills. Forty three (43) manufactured houses were damaged or destroyed in these two communities.

The goal of this report is to provide information about the potential role of manufactured housing in Lyons long-term recovery. We attempt to answer several important questions being asked about manufactured housing:

- What are the strengths and weaknesses of manufactured housing as a housing type?
- Are manufactured homes eligible for recovery funding from federal and state government?
- Do local, county, and state regulations allow for the building of a new manufactured housing community? If so, under what conditions?
- What are the benefits, and limitations, of manufactured housing as part of the Town's housing "mix?"
- What are development scenarios that could lead to a new manufactured home community?

We hope the report will be a useful resource for local elected officials, town staff, community organizations, and Lyons residents grappling with these complex questions. The report also provides important information that is relevant to several of the recovery action items listed in the Lyons Recovery Action Plan:

Housing 1.1.1: Build and maintain a dependable base of knowledge and expertise of the residents who were displaced and homes that were destroyed
Housing 1.3.1: Encourage the development/construction of housing that is affordable by: a) virtue of the lot size, regulatory incentives, construction methodology, and material usage, density; b) the use of financial subsidies and volunteer contributions;
Housing 1.3.2: Encourage the development/construction of manufactured housing, including prefabricated, modular, and mobile homes;
Housing 1.3.3: Encourage the construction of alternative and sustainable housing developments with different ownership models

Prior to the floods, there were approximately 56 manufactured homes located in the Town of Lyons (Rees Consulting 2014, p. 7). The flood damaged or destroyed 43, about 77% of the total units. The damage was concentrated in the Foothills and Riverbend communities, both located within the 100-

year floodplain (see Figure 1, Manufactured Housing Impacted by the 2013 Floods) Foothills and Riverbend were built before current regulations governing floodplain development. To rebuild on-site, the owners would have had to bring the communities up to current codes and standards. This means that homes located in the 100-year floodplain would need to be elevated to at least two-feet above the height of a 100-year flood, an expensive process that sometimes costs more than the total value of a manufactured home itself (Accomazzo 2013). The owners would need to provide an engineering study showing that development would cause no rise in the river, an additional expense and a requirement that would limit the types of elevations that could be performed. Portions of the communities were also located within the *floodway*, an area that is today considered to be unsafe for any kind of development. Because of the high costs associated with rebuilding to current safety standards, both communities are likely to relocate or remain permanently closed.

Figure 1, Manufactured Housing Impacted by the 2013 Floods

WHAT ROLE DID MANUFACTURED HOUSING PLAY IN LYONS' HOUSING STOCK?

The 43 manufactured housing units lost in the floods provided a significant portion of Lyons' pre-flood affordable housing stock. Affordable housing is typically defined as housing that costs no more than 30% of a household's gross income, including utilities (Housing Colorado 2015). Access to housing that is affordable is challenging for many families, particularly for those with very low (below 30% of area median income, or AMI), low (31-50% of AMI) or moderate (51-80% of AMI) incomes. In Lyons, the median household income is $89,063 (Census 2014), meaning that housing costs, including utilities, would need to be less than $668 per month to be considered affordable to a very-low income household.

Table 1: Housing Affordability in Lyons

Household Monthly Gross Income	Percent of Lyons Median Monthly Income	Max Cost of Housing Considered Affordable (including utilities)
$2,226.58	30%	$667.97
$3710.96	50%	$1,113.29
$7,421.92	80%	$1,781.26

For those households living in the Riverbend and Foothills communities, *lot rents* averaged $425 per month. Lot rents are the amount paid per month to the owner of the manufactured housing community to rent the land beneath the home. Because most manufactured housing residents owned their home, their overall monthly costs were relatively low, even when utility costs are taken into consideration. Detailed information on the utility costs of manufactured housing residents is not publicly available, but informal interviews with several former residents indicated that the cost of utilities was between $150-$200 per month in 2-3 bedroom manufactured homes, averaged across 12 months. Taken together, the lot rent and cost of utilities were affordable to low-income households and many very-low income households.

Manufactured housing was a uniquely affordable housing choice in Lyons before the flood. Over the past five years, Lyons and Boulder County have seen a sudden and dramatic rise in housing costs, driven in-part by a strong regional economy, population growth, rising land costs, and various restrictions on new housing development. The cost of housing is now at an all-time high, housing inventory and rental vacancies are near an all-time low, and affordable housing has become one of the most pressing issues facing Boulder County communities. The loss of housing inventory following the flood further intensified this housing imbalance.

Housing costs have increased substantially for both renters and buyers. In 2013, the median cost to rent in Boulder and Broomfield Counties was $1,287 per month, with one-bedroom apartments averaging $1,147 and three-bedrooms $1,618 (Rees Consulting 2015). The average rent in the two-county area rose more than 8% in 2013, the largest metro-rent increase in the Front Range region (Quinn 2014). In the same year rental vacancy, the percent of units available in a given month, reached an 8-year low (Svaldi 2014). Similarly, the median sale price of a single family home in

Boulder County in 2014 was $427,000, an increase of nearly 24% since 2009 (Wallace and Winkel 2015).

The 2013 floods substantially damaged or destroyed nearly 2,000 homes in Colorado, with much of the damage concentrated in Boulder, Larimer, and Weld counties. The sudden loss of housing, coupled with a tight housing market, further increased prices in the region. Households displaced from manufactured housing found themselves in a housing market with few affordable options. Many families were forced to relocate or are currently paying for housing above 30% of their household income, known as being *cost-burdened*. As evidenced by a post-flood needs assessment commissioned by the Town of Lyons and from accounts of households displaced from manufactured housing, post-flood housing expenses have gone up and many households are living in housing that is not sustainable financially (Rees 2014; 2015).

WHO LIVED IN MANUFACTURED HOUSING IMPACTED BY THE FLOODS?

Manufactured housing in Lyons was home to a diverse population before the flood. The forty-three displaced households included young families, working adults, elderly couples, residents with disabilities, and multi-generational families. According to the Lyons Human Services and Aging Commission, 75% of households displaced from manufactured housing had a member who was 65 years or older. The relatively low-cost of manufactured housing compared to other types of home ownership or rental made it an attractive option to seniors with fixed incomes, and many manufactured housing units are large enough to accommodate multiple generations. Twenty-five percent (25%) of households displaced included at least one child under the age of 18.

Manufactured housing in Lyons primarily served a low-to-moderate income population. The average income of households displaced from Foothills and Riverbend was substantially less than $30,000, compared to a median income of $89,063 for households in Lyons generally (Census 2014). The income range varied from some households with very low income (less than $10,000) to a handful making 60-70% of the town's median income.

WHAT ARE THE STRENGTHS AND WEAKNESSES OF MANUFACTURED HOUSING?

Looking forward, Lyons will need to determine whether manufactured housing has a place in the town's long-term recovery. Any future manufactured housing development will require, at a minimum, a change in zoning by the Board of Trustees. This section reviews some of the major strengths and weaknesses of manufactured housing as a housing type, for users and as a long-term part of the town's built environment (see Table 2, Strengths and Weaknesses).

Table 2, Strengths and Weaknesses

STRENGTHS	WEAKNESSES
Affordability (cost of housing unit)	Treated as personal property
Low-to-medium density	Depreciating asset
Amenities of a single-family home	Affordability can be undermined by rising lot rents
Unsubsidized / private market affordability	HUD standards outdated
	High cost of ownership (utilities, transport fees, disposal)
	Insecurity: pad leases, community rules, etc. can be changed or terminated by owner
	Lack of alternatives if home needs to be moved
	Single-story = medium-low density per acre

One of the strengths of manufactured homes compared to apartments, townhomes, and other multi-family affordable housing is that they have many of the same amenities as a single family home. Manufactured homes do not have shared walls, creating a sense of privacy similar to other detached housing types. In many manufactured housing communities such as those lost in Lyons, most lots included some private outdoor space, like a small lawn or garden.

Affordability has traditionally been one of the strengths and selling points of manufactured housing. Manufactured homes cost substantially less per square foot to purchase, an important consideration in a region where housing prices are climbing at record pace. To illustrate the cost of manufactured homes, we spoke with representatives from Clayton Homes of Pueblo, a Colorado based company that sells manufactured housing in a range of sizes and configurations, from 700 square feet to over 3000. The units are all Energy Star rated and have an average price from $55-70 per square foot, depending on the options and upgrades chosen by the customer. There is an additional charge to deliver and install the home, which is dependent on the land site. Factors that may affect the price of delivery and installation include foundation requirements, water source, power source, septic or sewer source, etc.

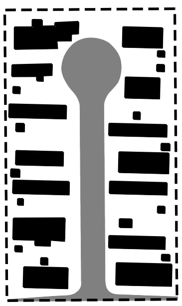
These prices are slightly more than the national average, largely due to the higher-than-HUD Energy Star rating. According to the U.S. Census, the average cost of a new manufactured home in the U.S. in 2013 was $64,000, at an average size of 1,470 square feet ($43.54/sq foot). By comparison, new single family homes nationally cost an average of $324,500, at an average size of 2,662 square feet ($94/sq foot).

Although manufactured homes cost less than half as much to purchase per square foot nationally than stick-built homes, it is important to understand that the cost of a new manufactured housing community will also include the price of land, building of infrastructure, local fees, and other costs associated with development. Many of the affordable manufactured housing communities in Colorado were built when land was relatively inexpensive. It is unlikely that any new manufactured housing community built in the Front Range could achieve equivalent levels of affordability without significant public or private subsidy. In Lyons, the research done by the Housing Recovery Task Force and by the Trestle Strategy Group highlights a shortage of developable land (Trestle Strategy Group 2015). Some of the smaller parcels of land identified by these two studies may be suitable for a manufactured housing community, but it is likely that any resulting project would be limited in size (no more than 10 units per acre) and have ground rents reflective of the total cost of development. Put simply, manufactured housing, in and of itself, is no guarantee of affordability.

Another potentially attractive feature of manufactured homes is that they are, in many cases, a source of affordable housing that do not necessarily require an ongoing government program to remain affordable (Genz 2001). By the nature of their design, build quality, and treatment as personal property with regards to financing, manufactured homes tend to stay more affordable over time relative to site built housing. The low monthly cost makes it a housing product attractive to a diverse population, including those with fixed or low incomes. The affordability of manufactured homes also tends to remain relatively stable over time, unlike the cost of rental apartments and multi-family homes unrestricted by affordable housing covenants, which have been increasing at an unprecedented rate in Boulder County. There are downsides to the affordability of manufactured housing, however. In particular, manufactured homes depreciate rather than appreciate in value, making them a diminishing asset for their owners (see later in section). Another caveat is that for most manufactured housing communities, those that are investor owned and that lease land to manufactured housing owners or rent housing units to tenants, the cost to rent a pad is a decision of the park owner and investors. According to the *Mobile Home Park Act*, which governs mobile home parks in Colorado, a mobile home park may raise the rent of a month-by-month lease with 60-days notice, and a fixed lease at the end of the lease term. It is therefore no guarantee that ground rents will remain affordable, unless specific rules or restrictions are put into place.

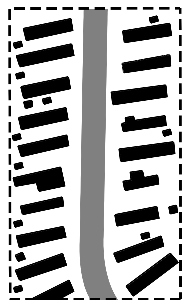
Finally, manufactured housing is a flexible source of housing, both in the design of individual units and in the configuration of units on a particular parcel of land. Flexibility is not a benefit specific to manufactured housing - site built homes are also flexible in their design and siting - but it does emphasize how manufactured homes can meet the needs of multiple types of end-users more readily than some other types of housing (tiny homes, accessory dwelling units) and nuances a popular perception of manufactured homes as homogenous in their size, design, and appearance (Hawkins-Simons 2014). Manufactured houses range from relatively small, “single-wide” units with 2-3 bedrooms and 750-1,000 square feet of floor space to large, 4-5 bedroom structures with over 3,000 square feet of space. Manufactured homes can be built with any number of additional amenities, including attached garages, porches, and fireplaces. From a site development perspective, manufactured houses can be flexibly placed on land with suitable grading and infrastructure, and the number of units within any particular development can range from a handful to thousands. There are both regulatory and practical limits to the number of manufactured housing units than can be sited on any one piece of land, however, and density per acre is generally low to moderate.

In Lyons, the maximum allowable units is 10 per acre gross density (dwelling units divided by total acreage of property). To visualize this density it is best to use comparisons. The Foothills community had an overall density of approximately 9 units per acre whereas the Riverbend community's density was closer to 7 units/acre. The density of a manufactured community can influence the amenities available to residents and dictate the type of units able to be placed on individual lots (see Figure 2, Manufactured Community Density Comparison) At 7 units per acre, there is sufficient land available for a mix of single and double-wide homes, larger lot sizes, more off-street parking, and potential space for trails, shared green space, etc. By comparison, at a density of 10 units per acre, the units would be mostly limited to single-wide configurations, parking is more constrained, lot sizes are smaller, and outdoor spaces are limited.



7 DWELLING UNITS PER ACRE

- Assorted unit types
- Wider roadway
- More off-street parking
- Accessory structures
- Open Space



9.5 DWELLING UNITS PER ACRE

- Single-wide unit type
- Limited off-street parking
- Limited accessory buildings
- Limited open space

Two (2) acres approximately 240' by 360'

Figure 2, Manufactured Community Density Comparison

While historically manufactured housing has been an attractive option to some Boulder County residents because of their affordable costs and amenities, there are a number of important drawbacks as well. These drawbacks are particularly important when thinking about a new manufactured housing community, which would be developed in a much different context than those built in the mid-to-late 20th century. First and most important is that manufactured houses are typically treated differently in the real-estate market than site-built homes and tend to decrease in value over time (Consumers Union 2003). Because they are a depreciating asset, many affordable housing advocates argue that manufactured homes carry many of the same costs as home ownership, without the corresponding benefits (Genz 2001; Hawkins-Simons 2014). Manufactured homes also tend to be treated as personal property rather than real-estate, especially when they are placed on leased land or rental pads, like those typically found in most manufactured housing communities. The CFPB (2014) explains:

One of the main differences between a manufactured home and a home built onsite is that manufactured homes may be titled as either real estate property or personal property. A home built onsite is almost always titled as real estate property. For a manufactured home to be titled as real estate property, the home generally must be set on a permanent foundation on land that is owned by the home's owner. If a manufactured home is titled as personal property, it generally must be financed through a personal property loan, also known as a chattel loan.

Chattel loans and other types of financing that are popularly used to purchase manufactured homes for placement on leased lands or in manufactured housing parks typically carry higher costs than mortgages used to purchase stick-built homes. In 2012, more than 68% of manufactured houses were purchased with higher cost loans, as compared to 3% of on-site or stick-built houses (CFPB

2014). These financial products also tend to have higher up-front fees and typically offer less protections for borrowers than federally regulated mortgage products.

An additional financial concern with manufactured housing is the high cost of moving a unit from one foundation to another, a process that can cost many thousands of dollars depending on the condition of the home and the distance travelled. Moving a manufactured unit also has a significant negative impact on the value of the home. Unit demolition and/or disposal may also cost several thousands of dollars, based on the size of the home and the materials used in its construction. The issue of a depreciating asset will also sometimes fall back on the local community to mitigate at the end of the manufactured housing site's lifecycle.

The depreciation of manufactured housing units, coupled with the high costs of moving a unit once it is attached to a fixed foundation, means that some manufactured housing owners who financed their home are at elevated risk of being *underwater* (owing more on their home loan than the resale value of the home) if they decide to move, have a disruption in employment or income, are unable to pay ongoing ground rents, lose their lease, or see their community close. For this and other reasons, including widespread and aggressive lending practices in the manufactured housing industry, repossession and abandonment rates are higher for manufactured homes than for site-built ones (Consumers Union 2011).

Not all manufactured homes depreciate in value at the same rate; some depreciate slower than average, hold their value, or even appreciate, if certain conditions are present. Consumers Union, in a limited study of manufactured housing in a three-county region of Texas from 1990-2002, found that several factors may protect manufactured home values over time: 1) the home being located in a strong housing market; 2) the owner of the manufactured home also owning the land beneath it; 3) the manufactured home remaining on its original foundation; 4) the home being located in the western or northwestern United States; 5) the home being larger; and 6) the home being located on a larger plot of land (Consumers Union 2003). The major source for this finding was written more than 10 years ago, however, prior to the housing market collapse of the 2000s. Lyons would benefit from a more detailed and tailored study of manufactured housing values in the region, and an up-to-date analysis of the factors shown to protect manufactured housing values from rapid depreciation. The developer of any potential manufactured housing community might seek to emulate these factors, to improve the long-term stability and viability of the housing.

Another potential drawback of manufactured housing communities is that the owner has authority to change park rules or regulations, raise rents, or take other actions that might lead to the eviction of a tenant (park closure, for instance). In most cases the *maximum* time a tenant has to consider these changes is 60 days, except in the case of a park closing, where the owner is required to give tenants 6-months notice. This introduces instability into the lives of manufactured homeowners, and leaves them with little recourse in the event of a major change (City of Longmont and *Mobile Home Act*). Manufactured home owners who need to relocate may find the cost of moving their home prohibitively expensive, struggle to find a community that accepts their manufactured home type (especially problematic for owners of older models), or a community where pads are affordable relative to their incomes.

Another drawback with manufactured housing is that they are predominantly single story. For households, this means that every additional square foot of living space requires an additional square foot of land, adding to the size of parcels and associated land costs or subtracting from the amount of outdoor space available to owners. For planners and community leaders, this means that manufactured housing is best suited for medium or low density residential development, increasing the land required per household and limiting the cost efficiencies found in multi-unit and/or multi-story construction.

There are also concerns with the quality, durability, and long-term performance of HUD-code manufactured homes. The last major update to the Federal Manufactured Home Construction and Safety Standards (FMHCSS) occurred in 1994, after Hurricane Andrew damaged thousands of manufactured housing units in Florida. The 1994 updates largely focused on the performance of manufactured housing during high-wind events and tropical storms. The FMHCSS are now at least 20 years old, and many of the standards date to 1974. Building materials, construction techniques, and energy technologies have advanced considerably in the intervening years, and units built today to the minimal HUD standard may be of relatively low quality and durability compared to higher standard units.

There now exist some additional certifications that indicate that a manufactured home has been built to standards higher than those set by the FMHCSS. For example, Energy Star, a program from the Environmental Protection Agency that identifies and promotes energy–efficient products and buildings, has a “Qualified Manufactured Home” program. An Energy Star certified home is one that was built in an Energy Star plant and that meets Energy Star requirements for energy efficiency. Qualified manufactured homes bear an EPA Energy Star label. While manufactured houses built to these standards above and beyond the HUD code might carry a higher up-front cost, their long-run durability and efficiency likely make them a more affordable product when considered across their entire life-cycle.
A related weakness is that manufactured housing, compared to site-built homes, tend to have higher ownership or rental costs with regards to utilities. Manufactured homes, especially older models, tend to be less energy efficient and have less insulation. For example, Wilson’s (2012) study of residential energy consumption over a 15-year period found that manufactured homes consume more electricity and are less efficient than comparable site-built homes. The gap between site built and manufactured housing is closing, but on average manufactured units tend to be less energy efficient and have higher monthly operating costs.

A final *potential* weakness of manufactured housing as a housing strategy are negative attitudes towards manufactured or mobile homes among the general public, particularly among homeowners. Beamish et al. (2001), in a state-wide study of manufactured housing in Virginia, found that “community residents had persistently negative opinions about the impact of manufactured housing on their community” (373). Brown and Sellman (1987) found that traditional homeowners thought about manufactured home residents as a homogenous group, and fail to recognize the diversity of households that tend to live in manufactured housing communities. The stereotypes of manufactured housing are not necessarily rooted in fact or experience, and often have “only an incidental relationship with the actual housing stock” (Yglesias 2012). Yet these stereotypes and negative attitudes persist in many communities, and may make the zoning of new manufactured housing communities politically challenging (Dawkins et al. 2011).

WHAT ARE THE SOURCES OF FUNDING FOR MANUFACTURED HOUSING POST-DISASTER?

After the 2013 floods, Lyons and communities across Colorado began grappling with the complex question of “who pays for recovery?” Disasters are, by definition, events that overwhelm local capacity. The estimated cost of recovery in Lyons is in the tens of millions of dollars, far beyond the financial capacity of a small town with an annual operating budget of $1.2 million. Affordable housing recovery is especially difficult here because of the high cost of land, low availability of developable lots, and high cost of new infrastructure. Under these conditions, housing developed at market rates costs significantly more than is affordable to low income households. For example, a 2,000 square foot, 3-bedroom home for sale in the Lyons Valley Park development is currently (as of March 25, 2015) listed at $524,900. The Rivercliff Cottages, relatively new two-bedroom condominiums near downtown Lyons, rent for between $1,700-$2,000 per month (Rees Consulting 2015).

Federal recovery funding is one way that communities can defray the cost of post-disaster housing construction in order to achieve affordability. The Community Development Block Grant Disaster Recovery (CDBG-DR) program is the major federal grant program supporting housing recovery in Colorado. CDBG-DR housing funds may be used for a range of housing related activities, including down-payment assistance, land acquisition, infrastructure costs and new construction.

For months after the flood, Lyons was advised that a manufactured housing project would not be eligible for federal disaster recovery funds. For reasons described earlier, any new housing that is intended to be affordable to very low and low income residents will likely require some level of public subsidy. With manufactured housing seemingly ineligible for the funding necessary to keep it affordable, attention was focused on site-built housing. Town staff continue to have conversations about the rebuilding or relocation of flood damaged manufactured housing communities with private owners, but no concrete plans or proposal have emerged.

In late 2014, representatives from the Department of Local Affairs Division of Housing, the agency overseeing the housing portion of the CDBG-DR program, corrected this information and said that a manufactured housing project *would* be eligible for recovery funds. The funds, if awarded, could be used for eligible project costs. Depending on the type of community and the tenure arrangements, manufactured housing might be eligible for funds to support land acquisition, infrastructure costs, or soft costs like planning or legal fees.

The Division of Housing affirmed this position in an informational interview and in subsequent email conversations in March 2015. The current Action Plan for CDBG-DR, a “substantial amendment for the second allocation,” states that: “Colorado will continue to operate its Single-Family Housing New Construction program according to the criteria described in the approved Action Plan” (State of Colorado, p. 35). The Action Plan describes the eligibility of housing programs:

For single-family housing projects, housing construction includes new construction and land acquisition for stick-built and modular built homes. Funds are administered through sub-grantees, with a maximum grant award of $4,000,000 per sub-grantee.

Although the language of the Action Plan seemingly excludes manufactured housing based purely on the definitional separation of manufactured from modular housing, a CDBG-DR program manager at DOLA confirmed that modular housing "is intended to include any manufactured product that is Energy Star rated and meets the standards referenced in the same plan." Additional language in the Action Plan specifies:

Projects funded shall continue to substantially meet Low-Water Landscaping (e.g. Denver Water Board Standards), and one of the following (listed in order of preference):

- Enterprise Community Partners, Green Communities Criteria
- U.S. Green Building Council, LEED for Homes, Silver or above
- The most recently released International Energy Efficiency Codes (IECC)
- U.S. Environmental Protection Agency, Energy Star 2011 for New Homes
- U.S. Green Building Council, LEED for Homes, Certified
- U.S. Environmental Protection Agency, Energy Star for New Homes

Further conversations with the CDBG-DR program confirmed that funds could be used for a number of development activities including land acquisition, infrastructure development, site planning and engineering, and/or the purchase of manufactured housing units. Crucially, funds might be used for some aspects of development and not others under different development scenarios. For example, the Town of Lyons might apply for funds to extend infrastructure to a potential manufactured housing site, but an investor would pay for land, on-site infrastructure, and soft costs associated with the development. In another scenario, the Town might use CDBG-DR funds to extend infrastructure to the site and to acquire the land, but then place the land within a mechanism that would allow it to eventually be owned by residents (a Resident Owned Community model, discussed later). In either case, residents of the community might purchase their manufactured home using CDBG-DR downpayment assistance, less any other source of disaster recovery financial assistance.

There are several other important details to note about the eligibility of manufactured housing for CDBG-DR funds. First, any project proposed by the Town of Lyons would need to compete against other eligible projects. That is, eligibility does not guarantee funding. Second, the introduction of CDBG-DR funds would bring with it a vested interest by the state and federal government in the outcome of the project. Accepting recovery funds would involve a certain degree of restriction and guidance from the state and federal government about how the funds would be used. There are a number of ways that this guidance/oversight might shape a manufactured housing project. It is important to note that these scenarios are speculative - there are no local disaster recovery precedents to work from. Nevertheless, our interviews point to several common areas of interest. The first would be that the project would need to meet HUD's national objective of "benefit[ing] persons of low and moderate income" and the recovery objectives of assisting primarily impacted households (HUD Exchange 2015). The Action Plan specifies that the targeted beneficiaries of the program are homeowners directly or indirectly impacted by the floods or wildfires, with preference given to "households directly impacted and to persons with disabilities, seniors, and those who resided in damaged or destroyed modular homes or MHUs [manufactured housing units]." The plan also specifies that "household income must be at or below 80% AMFI [Area Median Family Income] for at least 75 percent of beneficiaries served" (State of Colorado, p. 36).

A related concern might be over long-term affordability, because many of the familiar mechanisms that states, counties and municipalities use to maintain housing affordability may not be relevant to a manufactured housing project. Further, most manufactured housing communities are owned and operated by private individuals or entities and for-profit; it is unclear whether a potential owner or investor would be willing to accept affordability standards and, if so, how they would be monitored and enforced over time.

State and federal partners may also prefer that a proposed project include housing units that meet certain codes or quality standards, reflecting concerns with the durability of manufactured homes.

A final consideration relevant to funding sources is whether the manufactured houses would be owned by residents or by the property owner/developer. The choice of ownership or rental, and *who* would own and/or rent the community and homes within it, would all have bearing on the available grant funds and how they might be used. There are many different development scenarios that might be considered, and it is beyond the scope of this report to consider them all. Any potential project proposal will need to think carefully about different ownership models and how ownership might impact the financial resources available.

Low-income housing tax credits are another source of external funding used to fund affordable housing projects. The Bohn Park proposal, for example, packaged CDBG-DR and tax credit financing to fund the development of the project. Tax credit financing is unlikely to be a source for funding for a manufactured housing community, however, for at least two reasons. First, manufactured homes may not be eligible for funding because they are not placed on a permanent foundation. Though manufactured homes today are usually placed on a fixed foundation, they are still built with a fixed chassis for portability. Second, any new manufactured housing project in Lyons will likely be small-scale, given the lack of large developable lots in and around Lyons. Tax credit financing has higher costs associated with it because of the complex legal transactions and investor relationships inherent to the funding, and therefore typically requires a larger development to “pencil out,” e.g. make financial sense to investors.

Federal recovery funds aside, there are other ways that the Town of Lyons might support or encourage a new manufactured housing community. The Town could work to reduce development costs through such actions as tap transfers, facilitation of land swaps, or assisting potential developers with complex transactions like land acquisition, subdivision or entitlement. Some actions, like waiving tap fees for new development, would carry a direct or indirect cost from the Town and would be considered a public subsidy. The Town might also pursue non-recovery sources of development funds that could enable eventual development. For example, if the Town received economic development funds to extend infrastructure and services to areas within the primary planning area, a related benefit could be a reduction in overall development costs for a new manufactured housing community that would tap into those new infrastructural systems.

On an individual level, households who had their homes damaged or destroyed in the flood may qualify for the Boulder County Flood Recovery Down Payment Assistance Program, which provides a 5-year forgivable loan up to $50,000 towards the purchase of a new home. Households must make 80% or below of the Area Median Income, and must not own any other property at the time of purchase using the program. For households who qualify, these funds may be used to support the purchase of a manufactured home to replace their home that damaged or destroyed, with preference given to households living in manufactured/mobile homes at the time of the flood. This program, which is funded by CDBG-DR funds, can "stack" with other CDBG-DR funded activities (land acquisition, infrastructure costs), as described earlier. The lender must show an unmet needs between their housing costs and the recovery resources they have received. The Down Payment Assistance program can only be used *after* a household has used other disaster recovery financial assistance to avoid duplication of benefits, which is prohibited by the program. Put another way, the Down Payment Assistance Program is a "lender of last resort," after other flood recovery resources and payments have been exhausted. The CDBG-DR housing program provides this example:

If the gap between what [the household] can afford, and what the cost is to purchase the home is $40,000 [the size of the loan], then up to $40,000 would potentially be available to them from CDBG-DR. BUT, if they received $10,000 of FEMA funds (that weren't designated for another purpose, like monthly rent costs) for replacement housing, then the maximum CDBG-DR funds they could receive would be $30,000, because CDBG-DR can't duplicate that $10,000 from FEMA.

Given the relatively low cost of manufactured homes, the Down Payment Assistance Program could potentially cover a large portion of the purchase price of a new unit, in the form of a forgivable loan. The manufactured home would need to meet the standards set by the state, and households would need to qualify for the program given their own unique set of circumstances and needs.

HOW DOES MANUFACTURED HOUSING RELATE TO THE BOHN PARK PROJECT PREVIOUSLY PROPOSED BY THE TOWN OF LYONS?

On March 24, 2015, registered voters in the Town of Lyons participated in a special election on the question of whether the town should lease a portion of Bohn Park to the Boulder County Housing Authority for the purpose of building 50-70 units of flood recovery housing. The voters rejected the option of leasing land to the BCHA by a count of 614-498. After the vote, the Town "does not have any immediate plans in place to develop flood recovery housing." The proposed project would have been funded with a grant from the Community Development Block Grant Disaster Recovery (CDBG-DR) program and financing from the Low-Income Housing Tax Credit program from the Colorado Housing and Finance Authority. It would have given preference to households displaced by the 2013 floods and to households with a previous or ongoing relationship with the Town of Lyons.

The proposed project was a mixture of 60 affordable units and six for-sale homes developed by Habitat for Humanity, and did not include manufactured housing. The proposed project was anticipated to cost $26 million, and would have required no up-front or ongoing subsidy from the Town of Lyons except a below market rate land lease for 99 years. One reason why manufactured housing was not considered for the project was that the Town had been consistently told that it was not eligible for CDBG-DR funding. Another reason was that manufactured housing would not have been competitive for tax-credit financing, one of the major financing tools being used for the project.

HOW IS MANUFACTURED HOUSING DEVELOPMENT REGULATED?

Development of a new manufactured home community in the Town of Lyons could occur in one of three situations:

1. Inside Lyons municipal limits with municipal services
2. Outside Lyons municipal limits with municipal services (with outside of city service agreement)
3. Outside of municipal limits (Boulder County) with alternative services

The following regulatory context assumes that any new development occurs within the incorporated limits of Lyons, Colorado, or an unincorporated property that is eligible for annexation. Alternatives could be researched further, but will likely involve additional agreements and processes.

The power to review and make an approval determination rests with the Town of Lyons and the Lyons Municipal Code. In general it appears possible within the standards set forth in the Lyons Municipal Code to develop a new Manufactured Home Community. Such a development would require a designation of the R-3 zoning district in addition to a PUD-MH Overlay District which outlines some of the general requirements and limitations of a new development. These standards outline:

- Interior streets are owned and maintained by the park owner
- Parking requirements are set at two (2) spaces per unit
- A pedestrian circulation system is required and shall connect with perimeter sidewalks
- Minimum lot dimensions of eighty (80) long by fifty (50) feet wide.
- Maximum Density (ten (10) Units Per Acre)
- Minimum setback (twenty (20) feet from property line)

Any development would also be subject to all related development standards such as but not limited to floodplain development standards, signage, height restrictions, etc.

Any new manufactured home development will be required to use manufactured homes as defined earlier in this report (those built after July of 1976, "HUD code" units). Any new homes would be required to comply with HUD or IBC standards or meet/exceed equivalent requirements and performance engineering standards.

The process to create a new manufactured home community will vary depending on the entitlement status of a particular property selected as a potential site. The process requirements will, at a minimum, require two public hearings. Annexations of properties greater than five (5) acres will require additional public hearings and require majority approval of voters through a regular or special election with an exception for town owned land.

Depending on the current jurisdiction and entitlement status of a selected site, a potential new manufactured home community would need to obtain a typical series of approvals.

- Annexation - incorporating property into the Town of Lyons
- Zoning - structuring the underlying land use law on a property
- Subdivision - dividing land into separate parcels
- Permitting (e.g. grading, flood-fringe development, building, etc.)

Additional permits/review may be required depending on any regulatory overlays or unique ownership arrangements. Generally, the fewer development steps required for a property to gain the legal right to develop (become "entitled"), and the closer to existing services, the lower the overall development cost. Most of the relevant standards are contained within the Lyons Municipal Code which can be found on the town's website at www.townoflyons.com. This document includes standards for annexation, zoning, subdivision, along with references to adopted building, fire, and energy code standards.

Given that a new manufactured housing project is allowed under Lyons current municipal code, and with the understanding that different aspects of a project would be eligible for federal recovery funding, what are the different pathways to a development actually occurring? This section presents some hypothetical and streamlined development scenarios, to highlight the various benefits and tradeoffs of different development and financing models.

Who pays for post-disaster housing replacement? In general, development costs tend to fall in two categories: hard costs and soft costs. Hard costs are generally the cost of the materials and structures seen and placed on site as well as land and infrastructure, while soft costs include such activities as planning, site design, site entitlement, and legal work. Depending on the development and ownership of a site, and the recovery programs the developers or residents might use, these costs can be managed and reduced in various ways.

Table 3, Typical Hard and Soft Costs for Housing

HARD COSTS	SOFT COSTS
Structures	Design fees (architecture, planning, engineering, etc.)
Land	Legal fees
Site work (grading, excavation, etc.)	Local fees
Landscaping Off-site infrastructure	Other financial obligations (Interest, accounting fees, insurance, taxes, construction management, project management, etc.)

Another important question is what is the appropriate level of Town subsidy for any new development? Public assistance from the Town might include reductions and/or waivers of associated local fees, allowing the transfer of utility rights (such as tap fees) from other manufactured housing sites damaged by the flood, or the installation of public infrastructure leading up to the site. Such public assistance represents a real cost to the Town of Lyons and a subsidy to development, and whether it represents the best use of public resources would need to be considered in the context of any specific housing proposal.

The following section attempts to illustrate some potential development and ownership structures that would enable a new manufactured housing community within the Town of Lyons. In every instance, partnerships between entities has the potential to reduce the cost and time of development.

Table 4, Developer, Ownership, and Management Models

	DEVELOPER	OWNERSHIP	MANAGEMENT
Scenario A	Private	Private	Private
Scenario B	Public	Public	Public
Scenario C	Private / Public	ROC	Private

SCENARIO A: PRIVATE DEVELOPMENT

In this scenario a private developer would bear the burden of the majority of both hard and soft costs associated with the development of the site. Once public infrastructure reaches the site, the private developer would complete all the required site work such as utility lines, roadways, and pad sites. The private developer would likely work with displaced residents eligible for down payment assistance for replacement housing in order to determine the balance of units purchased individually through recovery funding versus those that might be purchased or acquired through alternate means. With a purely private development, however, there is no guarantee that flood displaced households would be given preference to live in the community or that the lot rents would be affordable to them. The cost of land and infrastructure would need to be recouped by the developer and potential investors, so ground rents would likely be higher than those paid by residents of Riverbend and Foothills prior to the flood.

A variation of the private model is one where the developer applies for limited federal recovery funding to help defray infrastructure costs. Those programs would likely come with outside requirements, like the quality of the housing or the maintenance of affordability, which would limit the potential income of the landlord and the type of units allowed to be placed on the site.

SCENARIO B: PUBLIC DEVELOPMENT WITH INDIRECT TOWN ASSISTANCE

In this scenario a public or non-profit agency such as a housing authority, non-profit developer, or non-governmental organization would act as developer for the subject site and would shoulder the costs associated with development using some mix of public and investor funds. Public assistance from the Town could be realized in a similar manner as private development. The Town could also apply for federal recovery funds to purchase the piece of land used for development and then transfer or lease that land to the entity in charge of development. In this scenario the Town would also support an application by the developer for federal recovery funds for infrastructure and development costs.

At this stage the developer would complete all the required site work such as utility lines, roadways, and pad sites. Assuming the granting of federal recovery funds, the developer would work to establish a preference policy for eventual residents using the guidelines established in the CDBG-DR Action Plan. There is also the potential that some units would be owned by the developer or public agency and rented. A public development would have requirements for the type of manufactured homes installed in the development; at a minimum, the homes would need to be Energy Star certified, as per the Action Plan. The state may also require that a percentage of the homes remain affordable for a period of time.

Briefly discussed earlier, there are important and unanswered questions about how a manufactured housing community using federal recovery dollars would establish affordability criteria, what mechanisms would be put into place to maintain affordability over time, and how affordability would be monitored and enforced. If a developer pursues a manufactured housing community in Lyons using recovery funds with affordability requirements attached, more in-depth research will be needed on how other communities have approached these issues.

After the development of the site is complete, there are a number of different actors who might manage the property. The most likely would be a housing authority or non-profit housing organization because of their experience with federal reporting requirements and affordable housing programs.

SCENARIO C: PRIVATE DEVELOPMENT WITH INDIRECT TOWN ASSISTANCE AND TRANSFER TO ROC NON-PROFIT

In this scenario a developer would act in a very similar manner as the developer in scenario A but the project would lead to a Resident Owned Community (ROC). An ROC is a type of manufactured housing development where the residents collectively own the land beneath their homes and are responsible for community maintenance and management. An ROC model allows an initial investor or developer to earn a reasonable rate of return while working towards the eventual ownership by community residents. In most cases, resident-owned communities are born by purchasing a community from an existing “investment” owner. In Lyons, an ROC might be designed from the ground-up to accomplish multiple goals around flood recovery, affordability, and resident ownership.

Proponents of ROCs argue that resident ownership has multiple benefits including rent stability, lower-cost financing for homeowners, improved health and welfare, and increased community safety (NeighborWorks 2015). A study by the Carsey Institute at the University of New Hampshire found that lot rents in ROCs tend to decline over time and that homes within ROCs sell for more, on average, than their equivalent units in investor owned communities. Residents who own the land beneath their homes may also have a better chance of qualifying for conventional loan products for future purchases like a new or upgraded unit, rather than relying on a high-cost personal property or chattel loan.

ROCs have gained in popularity in the past 30 years, and numerous informational and case-study resources are available. In New Hampshire, where ROCs were first established, there are 111 such communities ranging in size from 6 units to over 300. There are numerous ROC-USA certified technical assistance centers nationwide, including NeighborWorks Montana and Utah Resident Owned Communities (UROC). In Adams County, Colorado the Pioneer Village community is working to become a resident-owned community and has done substantial research on different models and financing mechanisms available locally and nationally. Finally, the Ford Foundation has previously made local grants available to support programs that help provide stable affordable housing through "shared equity homeownership programs" and the conversion of investor-owned manufactured housing communities into ROCs (Ford Foundation 2012). Ford may be a source of information about ROC development or a non-governmental source of funds for an ROC project.

For a new ROC, the developer would bear the burden of the majority of both hard and soft costs associated with the development of the site. The developer could be a private individual or organization, non-profit, or a public agency. There are a number of ways that federal recovery funding might be used to support the development of an ROC. A more detailed proposal is needed to fully understand what grants, and in what combination, might be available for such a unique project.

Once the ROC is developed, ground rents would be payable to the non-profit ROC which would then be used towards paying the development interest in the site along with any maintenance and management costs. It is likely that the residents would contract the management of the community to a private or public entity with community management experience. It is possible that the investor would be the manager of the ROC, at least for the period of repayment of her/his initial investment. In most cases, the ROC is overseen by an elected board or council, similar to a Homeowners Association (HOA). Residents as a whole are organized through a cooperative association, or co-op. These associations are governed by the shareholders who have purchased "shares" within the cooperative association. In ROCs, each homeowner owns one "share" in the association, and has attendant voting rights.

A housing co-op can be organized in a variety of ways to accomplish specific ownership goals. In each circumstance there is typically a more pronounced democratic method of managing the property.

Leasehold (Rental) Co-Ops: Tenants equally share costs of renting, can share part of a management responsibility and can provide collective power versus single renters leasing from a conventional landlord.

Market Rate Co-Ops: Housing organized by a democratically managed corporation within which residents purchase share at a market housing rate. These shares cover the typical operational expenditures of a landlord (mortgage, capital expenditures, maintenance, operating costs, etc.)

Limited (Zero-equity) Co-Ops: Land is purchased and typically held in a land trust, often with grants and subsidies to reduce the cost of shares below market rate. The co-op uses legal restrictions on the cost and future sale of the shares to keep prices low and to maintain affordability within the community. Shareholders can re-sell their share in the future, however the equity built might be low to zero depending on the restrictions placed on the housing.

CONCLUSION

These three scenarios highlight the diversity of pathways towards a new manufactured housing community in Lyons. Each scenario represents a series of tradeoffs the community would face when designing a manufactured housing project. The purpose of these scenarios is not to recommend any particular development pathway but to illustrate the creativity that might go into an eventual development proposal and the questions that will need to be considered before the feasibility of a manufactured housing project can be properly assessed.

NEXT STEPS

This report is intended to be a stepping stone towards more nuanced discussions of manufactured housing that are grounded in the realities of disaster recovery in Lyons. At the center of these discussions will be the same considerations that have informed discussions about housing since the flood: the scarcity of developable land, lack of parcels that could support larger scale development, and the high price of land, infrastructure, and other development inputs. In isolation, any of these factors is a hurdle to building affordable housing in Lyons. Taken together, they are a major barrier to achieving affordable replacement housing of any type, including manufactured housing.

This report has highlighted some resources and models for development that might help to move a small-scale manufactured housing project forward. We encourage Lyons to consider manufactured housing fully, to gain a clear understanding of its strengths and weaknesses, what policies or programs might facilitate or discourage its use, and where it might fit in the larger recovery picture. There are a few practical next-steps that might be taken to better assess the feasibility of a manufactured housing project:

- Estimate development costs for a manufactured housing community based on information gathered by the Housing Recovery Task Force and the Trestle Strategy Group. Estimates might be based on development on sites identified by those groups and by using different development scenarios with varying degrees of public subsidy, size and type of units, density of units per acre, and public amenities (like a community center or shared open space);
- Investigate further the financial resources that may be available for a manufactured housing development, including CDBG-DR funds and LIHTC financing;
- Research potential approaches to creating, maintaining, monitoring, and enforcing affordability standards in manufactured housing communities;
- Develop case studies of successful and unsuccessful Resident Owned Communities, to better understand the benefits and drawbacks of this particular ownership model.

METHODOLOGY

This report was written based on information gathered through:

Informational interviews with public officials, Lyons town staff, and key informants from private, non-profit, and academic/research communities. A list of interviews, with details about their date and topic, is located in Appendix A: Interview List;

- Reports and federal/state guidelines about manufactured housing and manufactured housing development. A list of references is provided at the end of this report;
- A review of the relevant research literature on manufactured housing and disaster recovery;
- A review of manufactured housing development approaches and models.

The Lyons Mobile Home Advisory Group and two housing experts reviewed and gave feedback on a preliminary draft of this report.

APPENDIX A: INTERVIEW LIST

In preparation of this report, we conducted informational interviews with local, county and state government officials, and with key informants from the private, non-profit, and research community. Following is a summary of the interviews:

NAME(S) AND AFFILIATION	DATE OF INTERVIEW	TOPICS DISCUSSED
Bob Joseph	November 26, 2014	Entitlement process
Rosi Dennett, Front Range Land Solutions	December 8, 2014, January 2015	Town's ongoing dialogue with mobile park home owners; status of 404 buyout program
Rick Hanger, Colorado Department of Local Affairs Division of Housing	December 9, 2014	State regulation and consideration of manufactured housing; manufactured housing role in affordable housing stock of state; CDBG-DR funds and applicability to manufactured housing project
Danica Powell, Trestle Group	December 14, 2014	Scenarios for housing development and potential role of manufactured housing
Carrie Makarewicz, CU Denver	December 19, 2014 and February 20, 2015	Manufactured housing legislation, affordable housing, case examples
Victoria Simonsen	December 19, 2014 and February 17, 2015	Local housing regulation, Bohn Park project, CDBG-DR grant deadlines and application processes.
Wila Williford, Boulder County Housing Authority	January 6, 2015 and March 26, 2015	County context regarding manufactured housing. Case examples, Development Considerations
Clayton Homes	March 16, 2015	Pricing and for manufactured homes
Denise Rome-Tamulis, Tax Credit Allocation Officer at Colorado Housing and Finance Authority	March 26, 2015	Tax credit financing and manufactured housing

INTERVIEW LIST, CONTINUED

NAME(S) AND AFFILIATION	DATE OF INTERVIEW	TOPICS DISCUSSED
Alison O'Kelly, Department of Local Affairs	Email correspondence, December 11, 2015 and March 26, 2015	Eligibility of manufactured housing for CDBG-DR funds
Molly McElroy, Boulder County Flood Recovery Down Payment Assistance Program	March 30, 2015	Confirming details of down payment assistance program for potential homeowners
Michelle Allen, City of Boulder and Town of Lyons Planning Board	March 30, 2015	Manufactured housing regulation, ROCs, development scenarios

APPENDIX B: ADDITIONAL DEFINITIONS

LYONS DEVELOPMENT CODE DEFINITIONS

Manufactured home means a single-family dwelling which:

a. Is partially or entirely manufactured in a factory.
b. Is permanently affixed to and installed on an engineered permanent foundation.
c. Complies with HUD or IBC standards, as applicable, or meets or exceeds equivalent requirements and performance engineering standards.

COLORADO REVISED STATUTES TAXATION DEFINITIONS 39-1-102

According to the Colorado Revised Statute, a manufactured home means any preconstructed building unit or combination of preconstructed building units that:

(a) Includes electrical, mechanical, or plumbing services that are fabricated, formed, or assembled at a location other than the residential site of the completed home;

(b) Is designed and used for residential occupancy in either temporary or permanent locations;

(c) Is constructed in compliance with the "National Manufactured Housing Construction and Safety Standards Act of 1974", 42 U.S.C. sec. 5401 et seq., as amended;

(d) Does not have motive power;

(e) Is not licensed as a vehicle; and

(f) Is eligible for a certificate of title pursuant to part 1 of article 29 of title 38, C.R.S.

(8) "Mobile home" means a manufactured home built prior to the adoption of the "National Manufactured Housing Construction and Safety Standards Act of 1974", 42 U.S.C. sec. 5401 et seq., as amended.

(8.3) "Modular home" means any preconstructed factory-built building that:

(a) Is ineligible for a certificate of title pursuant to part 1 of article 29 of title 38, C.R.S.;

(b) Is not constructed in compliance with the "National Manufactured Housing Construction and Safety Standards Act of 1974", 42 U.S.C. sec. 5401 et seq., as amended; and

(c) Is constructed in compliance with building codes adopted by the division of housing in the department of local affairs.

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