



**Manufactured Housing Report
City of Richmond
January 2025**

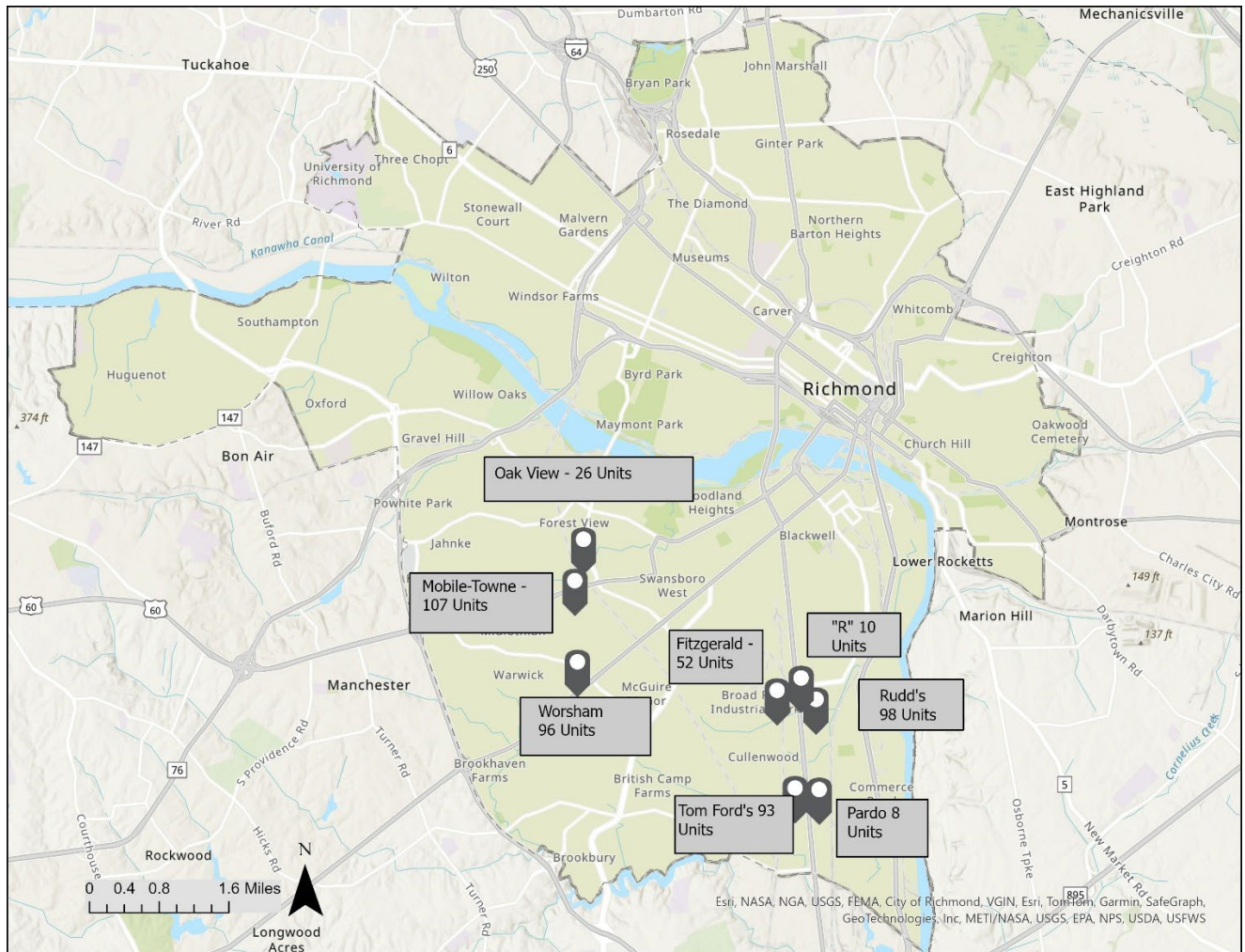
Report Description

This report was compiled by project:HOMES at the request of the City of Richmond Department of Housing and Community Development and contains a record of the work completed, work in progress, and work planned by project:HOMES in an effort to address the needs of the residents of the eight identified manufactured home parks located in the city of Richmond. The efforts described in this report is funded by three grants awarded to project:HOMES and administered by Richmond DHCD for fiscal years 2024,2025 and 2026. This report contains a general description of the conditions found by project:HOMES in the city’s manufactured home parks, a progress report and recommendations for future efforts. The reports and recommendations are based on information project:HOMES has gathered through it’s community outreach, client qualification and home repair work.



General Conditions in Richmond's Manufactured Home Parks

Because parcels zoned for Manufactured Housing are shown as a single parcel and the zoning requires the units to be on non-permanent foundations, there is limited publicly available data on each park's capacity or current occupancy. This description is based on the limited public information that is available and on observations by project:HOMES staff while conducting community outreach and home repair work in the parks. The eight parcels in the city of Richmond that are currently zoned for manufactured housing collectively appear to have 490 legal lots. Approximately 419 of those lots currently have occupied manufactured homes placed on them. Six of the parks appear to be at or near full occupancy. Rudd's Mobile Home Park appears to be at 39% occupancy with approximately 52 vacant lots and 8 units that appear to be vacant or boarded. Ford's Mobile Home Park appears to be at full occupancy, but has 11 lots that contain RV units which are not legal for permanent occupancy. All of the manufactured home parks are located in the 8th Council District except Worsham's Manufactured Home Park which is in the 9th Council District.

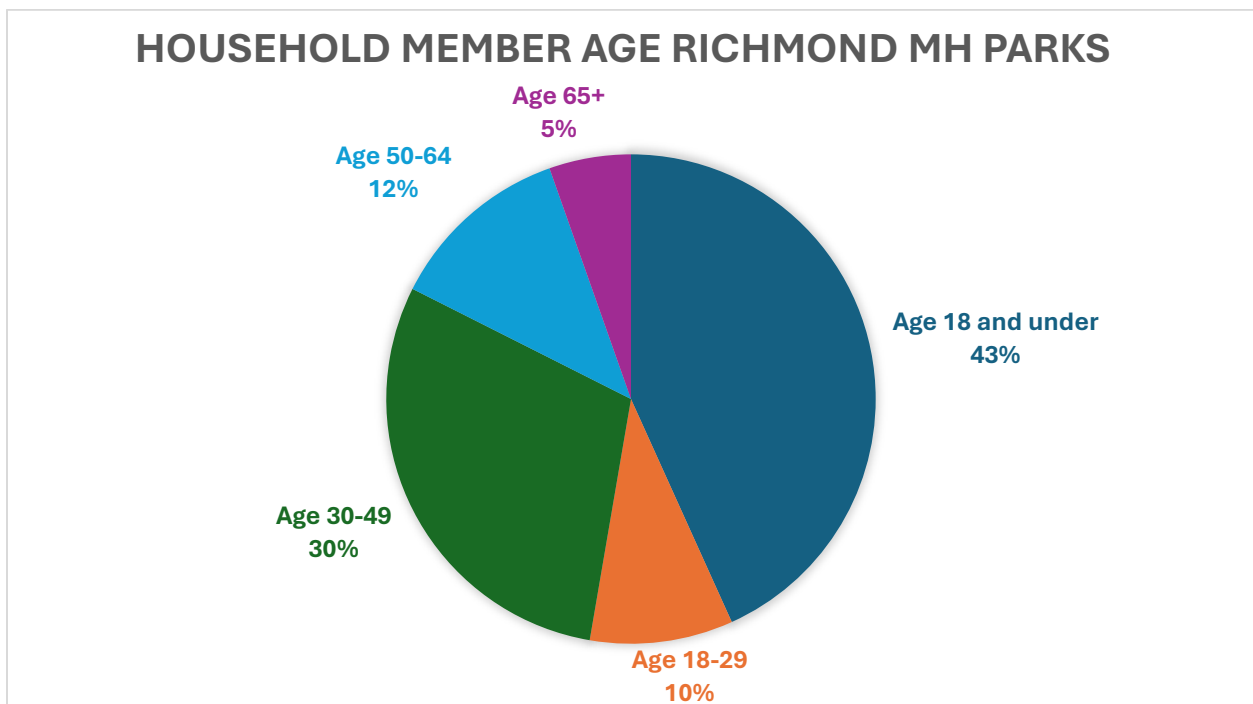


Collectively the eight parks contain 419 occupied units housing approximately 1,257 people.

Park	Lots	Units	Notes
Fitzgerald	52	52	
Ford's	93	82	11 RV's
Mobile Towne	107	107	
Oakview	26	26	
Rudd's	98	38	Vacant lots and units
Worsham	96	96	
Pardo	8	8	
R	10	10	
	490	419	

Household Demographics

The average annual household income of the residents in Richmond's manufactured home parks served by project:HOMES is \$37,856 and the average household size is three. Almost half of the household members in the Richmond Manufactured Home parks are children under the age of 18. More specific household member age data is shown in the chart below:



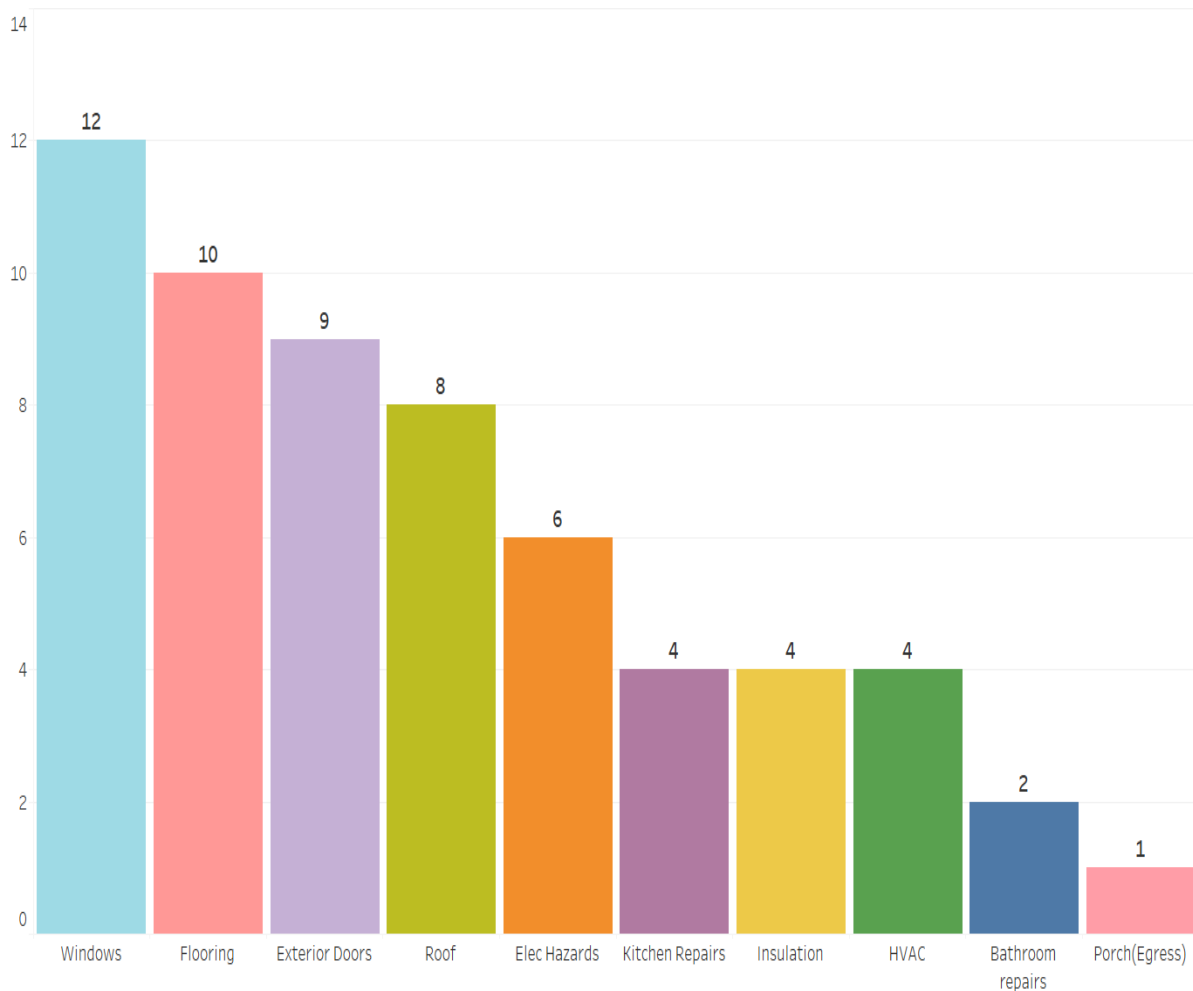
As with all manufactured housing in parks, the homes in Richmond’s parks must be “non-permanent” per zoning regulations. The owner of the home does not own the land that it sits on, so the units are titled as vehicles not as real estate. As a result, it is not possible to determine the age of a unit without a copy of the title or access to DMV records. Based on our experience to date, the units in the eight manufactured home parks in the city of Richmond were manufactured between 1960 and 1980, with the average unit being 49 years old. Common system failures in the units caused by age include leaking roofs, rotten floor structures, non-working HVAC units, plumbing and electrical failures and leaking doors and windows. Because these homes are built to the HUD Manufactured Housing Code and not the Residential Building Code, it is difficult or impossible for local building departments to issue permits or inspect renovation work at the unit other than the mounting of the unit and any porches or structures that are adjacent to it.

Because the homes in these eight parks are titled as vehicles, taxed as personal property, are mounted to “non-permanent” foundations and sit on land not owned by the owner-occupant of the home, they are not eligible for any kind of traditional home equity loan or mortgage. The value of these homes is difficult to calculate as these units are not comparable to homes in the area that sit on deeded parcels. Manufactured home values are subjectively affected by the condition of the park itself, it’s location and the demand for housing in the general area. Most purchase transactions are made in cash and recorded through an exchange of title at the DMV. It is important to note that as a result of this arrangement, there is no finance product available to the owners of these manufactured homes that can be used for repairs other than consumer credit or personal loans. Given that the owners of these homes must buy their unit, pay lot rent, utilities, and taxes there is typically little money available for repairs. The lack of financial resources, the age of the units and a lower construction quality standard when they were manufactured have all contributed to the intense need for repairs to these homes to ensure the health and safety of the current occupants.



Manufactured Home Repair Program

Project:HOMES operates a program that provides qualifying owner-occupants of manufactured homes Richmond's eight manufactured home parks. The program is funded and administered by the City of Richmond Department of Housing and Community Development. Client outreach events are held at central locations and at each park. Applications are processed in the order they are received and service is then directed to applicants that meet the program guidelines as specified in the funding contracts. Repairs are specified by project:HOMES and are intended to maintain or improve the health and safety of the occupants and ensure the continued sustainability of the unit. The work is specified and supervised by project:HOMES and performed by licensed contractors. Typical repairs include repair and replacement of windows and doors, flooring structure, roofs, insulation, and electrical, plumbing and heating systems. The chart below shows the breakdown of the types of repairs provided for Richmond manufactured home residents to date:



Project:HOMES received funding grants from the City of Richmond Department of Housing and Community Development to operate the program in fiscal year 2024, 2025 and 2026. The actual and projected distribution of service is shown in the table below:

Park	FY24	FY25	FY26
Fitzgerald	7 Completed	3 In Progress 2 Projected	8 Projected
Ford's		3 In Progress 2 Projected	8 Projected
Mobile Towne	8 Completed	9 In Progress	8 Projected
Oakview		1 Projected 1 In Progress	8 Projected
Rudd's	3 Completed	2 In Progress 1 Projected	4 Projected
Worsham	2 Completed	3 In Progress 3 Projected	8 Projected
Pardo			3 Projected
R			3 Projected
Total	20	30	50

Manufactured Home Unit Replacement

Over the last twenty years, the manufactured housing industry has increased the construction quality and energy efficiency of the units it produces. The HUD Manufactured Housing Code has been recently updated and there is increasing interest in manufactured housing as one solution to the shortage of affordable housing in the United States. While both HUD and the manufactured housing industry have generated excitement and optimism about this type of housing as an affordable housing solution, there are several significant limitations that continue to affect this type of housing.

There is still no FHA backed loan product available for a single-unit manufactured home that is placed on a non-permanent foundation in a manufactured home park where the homeowner does not own the land. As a result, mortgage companies and banks are not able to offer traditional loans or mortgages for the purchase of new single unit manufactured homes. There is some financing available through the dealers of these units or through one of four finance companies that offer personal property loans, but these loans typically require 20% down and as of August of 2024 have an interest rate of 21%. These loan conditions disqualify the vast majority of homeowners in the eight manufactured home parks in the city of Richmond, as the loan payment would cause thier housing expenses (lot rent+loan payment+taxes+insurance+utilities) to greatly exceed 30% of their household income.

There are FHA backed loans available for larger manufactured home units that come in two sections, but to qualify the homes must be mounted on permanent foundations and be placed on land owned by the homeowner. These loans are designed for homebuyers in traditional

subdivisions and are not accessible to any of the current homeowners in Richmond's eight manufactured home parks.

Decision to Repair Units vs. Replace Units

Project:HOMES does have experience replacing single section manufactured homes. A description of our replacement work in a manufactured park that project:HOMES purchased in 2020 can be found in the attached report on Bermuda Estates. The average cost to replace a new single section manufactured home is \$120,000 including the unit purchase price from the factory, removal and disposal of the old unit, unit setting, heat pump installation and water and electrical connections. Due to the lack of financing options available, homebuyers in manufactured home parks are very limited in what they can provide toward the replacement cost. Using the general guidelines for affordability that limits total housing cost to 30% of household income, a typical homeowner can provide around \$25K toward the replacement cost of their unit. This results in the need for a large grant subsidy for each replacement unit which greatly diminishes the number of households that can be served.

Unless the unit is located in a park owned by a mission-based organization committed to maintaining affordability, a large grant investment made in a replacement unit is at significant risk. Lot leases are renewed annually, and the monthly rent fee can be raised to market price by the park owner at the renewal period without consideration of the income of the tenants. It is reasonable to assume that new units in an existing park would generally improve park conditions and could cause rents to increase or make the park more desirable to a corporate or private purchaser. Existing parks that are listed for sale are often valued based on the potential to raise lot rents and increase cash flow. Two parks that recently sold in Richmond actually listed potential lot rent increases in their sales materials as part of their marketing.

If a homeowner who has purchased or received a replacement unit in a privately owned park is no longer able to afford their housing costs, they are responsible for the removal of their unit at lease termination. Removal can cost between \$5,000-\$10,000, assuming there is a place to take the unit to. If the unit is not removed, there is a legal path for the park owner to take possession of it, rent or resell it and keep all proceeds.

The grant contracts between the City of Richmond Department of Community Development and project:HOMES allows for both repairs and unit replacement, however the combination of limited financing options and the inability to stabilize lot rents has led project:HOMES to come to the conclusion that the replacement of manufactured housing units in non-mission owned or non-resident owned parks is too risky at this time. After considering the risks associated with unit replacement and the fact that the available funding could serve 100 households with repairs as opposed to 10 households with unit replacement, project:HOMES has determined that focusing on unit repairs is a more effective and responsible use of grant funding.

Recommendations

Based on the information and knowledge gained through our outreach and service to the residents in Richmond's manufactured home communities and on our experience with other manufactured housing programs project:HOMES makes the following recommendations to the Richmond Department of Community Development:

- Until there is some kind of formal commitment to sustained affordability from the owners of the city's manufactured home parks that is incentivized and enforceable by the City of Richmond, all grant investments should be directed only to the owner occupants of the existing manufactured units through repairs and support services. We do not recommend unconditional investments in park infrastructure.
- Zoning and building code enforcement efforts in the eight parks should continue with careful consideration to the impact and welfare of current occupants and coordination with unit repair and relocation programs.
- Any new development involving manufactured housing should be mission or resident owned to ensure sustained affordability.
- Until better financing options become available for owners or purchasers of single section manufactured homes on non-permanent foundations, the city should not approve zoning of any additional land for manufactured housing communities.