

## Then and Now, What Next

Neal T Haney

The history of the manufactured housing industry can be divided into two broad categories. The early era generally is prior to HUD developing a national code for the manufacturing of homes (Pre-HUD). The modern era is that period of time after HUD developed the national code for construction which went into effect June 15, 1976.

As early as the 1940's Arizona began to experience an unprecedented population growth. World War II was over and the country was experiencing an era of growth, both in population and economically. As new residents poured into the state there was a serious lack of housing. There were no large metropolitan areas with adequate housing. The immediate answer was in mobile homes, generally referred to as trailers at the time. These early trailers provided affordable housing that was easily transportable to provide housing where needed. They were often used on military bases to provide housing for members of the armed forces. They also provided affordable, transportable housing for construction workers who were building modern Arizona. Many construction projects were in areas where there was no housing available and would take years to complete. One prime example is the building of the Glen Canyon Dam in Northern Arizona. When the site was chosen for the construction of the dam in the mid-50's, the closest towns were in Kanab, Utah and Tuba City, Arizona. Flagstaff was the closest city of any size and it was 135 miles to the south. The land on which Page now sits was acquired from the Navajo Nation and a town was built. In order to accommodate the large number of construction workers needed for the project, the general contractor built a "trailer park" of around one thousand spaces. It housed not only construction workers but also many of the periphery workers needed to support them. It housed teachers, postal workers, grocery employees and all the other types of workers needed for the population. At the height of construction Page had a population approaching 20,000. After the construction was complete and the construction and support workers left, the population dropped to less than 8,000. The same story can be told of much of the construction that was taking place all around Arizona. Workers were needed, not enough housing was available and so an industry flourished. As cities grew, "trailer parks" were carved out of previously agricultural areas or out of nothing. "Trailers" provided the most affordable way for an itinerant population to take their family and home with them to meet the demands of a growing state.

The "trailers" of the time were relatively small, single section and built to be highly mobile. Many home owners were able to move and site the homes themselves. The utility requirements were minimal. Heating and cooking were often LP gas. The homes only required an electrical service of 50 amps or less. Manufacturing codes existed but varied from region to region.

The "trailer parks" of the time were built to accommodate the homes of the time. The space allocated to each home was designed to allow enough room for a home and parking of a single vehicle. There was no zoning given over to parks and the parks were most

often built outside of the most populated areas. They were located along major travel routes and in previously agricultural areas. The materials from which the infrastructure was made reflected the technology of the times. Water lines were galvanized steel, sewer lines were made of cast iron and later orangeburg. The electrical systems were designed to supply current of no more than 50 amps to each of the home-sites. Parks were designed with angled spaces to make the installation and removal of homes easier. Initially the only amenity that was offered was a community laundry room for tenants' use.

As we approached the HUD era, both homes and parks changed. With less need for mobility in housing, many homes became permanently set. In addition to working families looking for affordable housing, a growing number of individuals from the Midwest and Canada were coming to Arizona to escape the harsh northern winters. Manufactured housing and manufactured housing communities provided the most affordable way to enjoy the Arizona climate.

Homes increased in size. Multi-section homes grew more prevalent. Utility requirements increased. Minimum electrical requirements were 100 amp; all-electric homes required 200 amp service. Heat and cooking were supplied with natural gas. Pitched and shingled roofs replaced the metal roofs. Vinyl and wood composite siding replaced the metal siding. Homes became larger and could no longer be moved by homeowners. Professional movers and installers needed to transport and install homes. In spite of all the improvements in the homes themselves, they remained more affordable than any similarly sized site-built homes.

Communities replaced parks. They were designed with rectangular lots resembling subdivisions. Homes were not expected to be moved on a regular basis so there was no need for the angled spaces of the past. The materials for the infrastructure reflected improved technology. Plastic (PVC) replaced galvanized steel. Cast iron and orangeburg were replaced with ABS. Even gas lines were replaced with plastic. Amenities were added to enhance the lifestyle of those choosing to live in communities. Clubhouses, swimming pools and other recreational facilities became the normal in the modern community. Landlords began requiring that homes be fully skirted with covered patios and carports. Moving into a manufactured housing community became the most affordable way to enjoy a lifestyle designed to fit the needs of the homeowner.

As with any industry, time changes everything. Most of the pre-HUD parks were built outside of any municipal limits. While codes governed the installation of infrastructure for water, sewer and electric, there were no zoning restrictions and very little to control the design of lots, streets and amenities. As time went on and cities grew, these parks became incorporated into the city and existed as non-conforming use. For health and safety reasons, municipalities adopted codes regarding setbacks, street widths and other factors. Arizona, through the Department of Fire, Building and Life Safety, became one of the states that adopted policies and agreements to enforce HUD standards for the manufacturing and installation of homes.

Time and progress took its toll on the older parks and homes. Typical pre-HUD homes were eight or ten feet wide, with some of the later ones being twelve. These homes were well built but they were not designed with modern safety requirements. Bedrooms had no secondary means of egress, there were no smoke or fire detectors and compartments with gas fired appliances were not built with fire resistant materials. Arizona statutes (ARS 41-2195.C) require that any such home (pre-HUD) make certain safety upgrades before it can be sited in a community within the state (AAC R4-34-606). Most of these homes had a life expectancy of fifty to sixty years. Those that have been well cared for and maintained are in good condition and very livable. As with anything else, those that have been neglected or poorly modified by owners over the years have become substandard. If they were owned by the landlord and therefore regulated as rental housing, they could not be occupied. The same is true of much of the older site-built housing that exists within our cities and towns.

In much the same way, older parks were not designed with modern requirements or modern homes in mind. Spaces were designed for smaller homes with minimal distance between homes. A space designed for a ten foot wide home will not hold a fourteen foot wide home. Many older parks were built with no setback from the street required. The streets were narrow, allowing for little or no room for emergency equipment to maneuver. The capacity of the utility systems, particularly electric, will not accommodate modern homes. All of these factors make many of these older parks functionally obsolete. If a home leaves or must be removed, that space will most often become non-productive. Compounding the problem is an aging infrastructure. Galvanized water lines, cast iron sewer lines and old electrical systems have useful life spans. For many of these parks, that lifetime is past. The repair costs to keep the systems functioning are an ever increasing economic burden and the costs of replacing entire systems are not economically feasible. Not only are these older parks functionally obsolete, they are becoming financially obsolete. This is especially true for smaller parks where there is little economy of scale to keep the cost per space within reasonable limits.

Homes and communities have several things in common. Any home that has been kept in good repair and had upgrades as needed through the years remains a viable housing unit. They retain some value and can be sold to new owners. Water heaters need to have been replaced with code compliant units, heating and cooling systems replaced as needed and windows and appliances replaced. Repairs to roofs, walls and flooring, both interior and exterior, that have been correctly done will make these homes serviceable as dwelling units for many years. It is when necessary repairs are left undone or are done in a slipshod manner that problems arise. A neglected homes reaches the point that the cost of bringing the home up to standard becomes more than the value of the home. At this point the home needs to be disposed of.

The same holds true communities. Many older communities have replaced water and sewer lines through the years. Other utilities have been upgraded to meet current demands. Common areas have been well maintained to meet the needs of the residents. These parks, though dated, remain an affordable and viable form of housing. On the other hand, parks that have not made upgrades and maintained their property are in the

same position as neglected homes. The cost of upgrading entire systems and bringing the rest of the infrastructure up to standard is prohibitive. Communities that are in this condition will look at the financial options and probably decide to put the money into re-developing that land for some other purpose.

When any type of housing (site-built, apartments or mobile home community) becomes obsolete and reaches the point that the land will be redeveloped to some other use, occupants are displaced. Those who live in a manufactured housing community have some financial assistance available to them. Through the efforts of the park owners' association and the tenants' association, a relocation fund was established in 1985. This fund is available to help cover the cost of moving the home to a new location, or if the home itself has become obsolete, to receive funds for abandonment.

The age of the home or the age of the community should not be the critical factor in deciding the end result of this type of affordable housing. Manufactured homes and manufactured home communities are the single most affordable type of housing available. Typically the older communities with older homes have been a haven for lower income groups. These include those who are low wage earners and seniors who are on a limited income. They have provided home ownership and a lifestyle much more affordably than any other type of housing. Not only is affordability a major factor, but rental communities foster the sense of community that many modern subdivisions try to create. Neighbors know each other, look out for each other and are willing to help each other. With comparatively little initial investment, one can provide a quality home for themselves and their families at a much lower cost than renting a comparably sized apartment or house.

One huge factor that will determine the future of this affordable housing industry is the imposition of government. Local, state and federal governments continually impose new restrictions and requirements that place a heavy burden on affordable housing.

Recently Mojave County enacted an ordinance (now being revisited) to prohibit the placement of any manufactured home older than seven years anywhere in the county. It had nothing to do with appearance, condition or livability. The practical affect was to make any home more than seven years old worth nothing. It didn't matter if was a 2005, 1,800 square foot multi-section home or 1980 single-wide. Many local jurisdictions have passed ordinances that prohibit older homes, ostensibly under the guise of appearance. The same standard is not applied to any other type of housing.

In zoning master plans, no one is allowing for any future development of manufactured home communities. They are being zoned out of existence.

In many communities the owner is willing to sell and finance homes to low income families. Requirements for licensing, bonding and reporting can add thousands of dollars to the cost of a sale. In some instances, an owner is willing to sell and finance a home for no more than they have in it, often less than ten thousand dollars, with minimum down payments. If an owner decides to use a licensed dealer to handle the transaction to be in

compliance with state statutes, it will add another three thousand dollars to the cost of the sale. If the community owner is willing to carry a note on the home, the cost of complying with the Dodd-Frank Act and the rules created by the Consumer Finance Protection Bureau will add another seven hundred, fifty to one thousand dollars to the cost of the home at a minimum. Many prospective buyers do not qualify for financing through any of the avenues currently available. The only way they can hope to acquire ownership is through communities owners who are willing to risk their own money to finance these homes.

There are few, if any, programs that will assist those seeking affordable housing in a rental community. There are programs that will help pay rent in an apartment and there are programs that will assist in the purchase of real estate, but none that will assist those seeking to acquire ownership of a home in a rental community. Dollar for dollar, it seems that assisting individuals acquire ownership in a rental community will produce the greatest long term benefit. They would have some equity in the home for future use while enjoying lower monthly rent cost on an ongoing basis.

The manufactured housing industry has long been a staple in Arizona providing affordable housing to generations. It is a main stay for winter visitors who come to enjoy a nicer climate during the cold months. More importantly it continues to provide affordable housing for both an ageing population with limited incomes and wage earners who are looking for a quality lifestyle that includes a unique combination of home ownership and affordability. While many community owners are willing to provide assistance to help these individuals achieve home ownership and affordability, many governmental regulations act as a severe deterrent. The newer mobile home communities are vibrant and continue to look at a bright future. As some of the older communities continue to age and face economic and functional obsolescence and continued economic pressures from governmental action, they will be forced to make decisions that will in all likelihood result in closure and redevelopment. As municipalities look for ways to ensure affordable housing in their communities, the manufactured housing industry can help provide that need with the least amount of assistance needed.