



City of Phoenix
PLANNING AND DEVELOPMENT DEPARTMENT

Staff Report
Zoning Ordinance Text Amendment
Z-TA-2-23-Y
(Offsite Manufactured Home Developments)
April 21, 2023

Application No. Z-TA-2-23-Y: Amend Chapter 2, Section 202 (Definitions) to add definitions for offsite manufactured home, offsite manufactured home development, and revise modular home and park model, amend Chapter 6, Section 608.F. (Residence Districts) to add offsite manufactured home developments subject to a use permit and Section 647.A.2.k. (Special Permit Uses) to delete mobile home developments.

Staff recommendation: Staff recommends approval of Z-TA-2-23-Y as shown in Exhibit A.

BACKGROUND

Residents of mobile home communities throughout the City of Phoenix have faced displacement due to the redevelopment of mobile home park sites. In response to community concerns and in coordination with the Mayor and City Council, an internal work group was formed on September 28, 2022, to determine how the city could assist families facing imminent displacement and to identify measures to reduce future risk.

The Work Group was comprised of City staff from throughout the organization and included the Phoenix Industrial Development Authority (IDA). The team was charged with evaluating all legal and financial assistance the City could offer to the tenants of the displaced communities. The team also reviewed and evaluated options to develop long-term strategies to prevent this issue from happening in the future. The resulting research report from the internal work group was issued November 25, 2022, and an updated report was issued on February 23, 2023 (Exhibit B).

The report detailed programs, initiatives, and strategies to address the displacement of mobile home residents in the city of Phoenix. However, due to limitations from Arizona Revised Statutes, the city is limited from taking certain actions. The report included legal analysis and also covered approaches taken by other jurisdictions to address similar challenges in their communities. Each proposed program and strategy were detailed in this report along with a set of recommended actions. Recommended programs and strategies were organized by the following:

1. Immediate Solutions - Financial Assistance and Support Services;
2. Medium Term Solutions - Planning and Zoning Initiatives;
3. Long Term Solutions - Ownership and Acquisition Strategies.

On March 22, 2023, Mayor and Council directed staff to move forward with 12 viable recommended actions outlined in Exhibit B. Action Item #6 recommended modifications to mobile home park development requirements.

Staff obtained input from various stakeholders and held four meetings to review and request additional input on the proposed text amendment. Stakeholders included individuals from the following organizations:

- Manufactured Housing Communities of Arizona (MHCA)
- Manufactured Housing Industry of Arizona (MHIA)
- Arizona Department of Housing Board of Manufactured Housing Member
- Affordable Housing/Private Developers
- Arizona State University, Real Estate Development

PURPOSE

There is a need to expand housing types and development options available within the city. The General Plan and the Housing Phoenix Plan promotes offering diverse housing types. The intent of the proposed text amendment is to modernize mobile home park development requirements and remove any potential challenges to developing new parks. The proposed text amendment adds new definitions for offsite manufactured home, offsite manufactured home development and clarify modular home and park model, expands offsite manufactured home developments to all multifamily districts subject to a use permit, eliminates the minimum acreage size and removes the special permit provisions for mobile home developments. These proposed changes would allow for new offsite manufactured home developments to be built and the ability to offer more affordable housing options.

DESCRIPTION OF THE PROPOSED TEXT

Definitions

Modular Home: The term “Shipping Container” was included in this definition.

Offsite Manufactured Home: A new definition was created to include different housing types that are manufactured at an off-site location and assembled on-site.

Offsite Manufacture Home Development: A new definition was created to define developments on a lot for housing types that are manufactured at an off-site location and assembled on-site.

Park Model: This term has been revised to be consistent with other off-site manufactured structures references to manufacturer standards. Park Models are manufactured under American National Standards Institute (ANSI) standards. In addition, the term “Tiny Home” was included in this definition.

Offsite Manufactured Home Requirements

- Expand offsite manufactured home developments to all multifamily districts subject to a use permit (R-2, R-3, R-3A, R-4, R-5 and R-4A). In addition, C-1, C-2 and C-3 which include multifamily development standards.

Existing mobile home park developments are limited to R-2 and R-3 zoning districts with a Special Permit. The Special Permit process adds an unnecessary step and additional cost to the development that is not required of other housing developments (single-family homes, apartments, townhomes, etc.). Offsite manufactured housing provides an essential housing product to address affordability and sustainability.

- Eliminate the minimum 10-acre size requirement for the development. The Planned Residential Development (PRD) Option has established development standards for density, setbacks, lot coverage, etc. for the underlying zoning districts which is consistent with other housing developments.

CONCLUSION

The proposed text amendment will add new definitions for offsite manufactured home, offsite manufactured home development and clarify modular home and park model, expand offsite manufactured home developments to all multifamily districts subject to a use permit, eliminate the minimum acreage size and remove the Special Permit provisions for mobile home developments.

Staff recommends approval of Z-TA-2-23-Y as proposed in Exhibit A.

Writer

T. Gomes
4/21/23

Exhibits

- A. Proposed Language
- B. Research Report City Manager's Office dated 2/23/23

EXHIBIT A
Text Amendment Z-TA-2-23-Y:
Offsite Manufactured Home Developments

Proposed Language:

Amend Chapter 2, Section 202 (Definitions) to add offsite manufactured home, offsite manufactured home development and clarify modular home and park model as follows:

Manufactured Home: A multi-sectional dwelling unit manufactured after June 15, 1976, and built to the Manufactured Housing Construction and Safety Standards and the State of Arizona Installation Requirements For Manufactured Housing.

Mobile Home: A structure built prior to June 15, 1976 that is a movable or portable dwelling unit constructed either to be towed on its own chassis, or designed to be installed or parked with or without a permanent foundation for human occupancy.

Mobile Home Development: Any lot, tract, or parcel of land used or offered for use in whole or in part, with or without charge, for the parking of occupied mobile homes.

Modular Home: A dwelling unit which is either wholly or in substantial part manufactured at an off-site location to be assembled on-site, except that it does not include a manufactured home, mobile home, park model, or recreational vehicle as defined in this section. MODULAR HOME CAN INCLUDE SHIPPING CONTAINER BUILT FOR RESIDENTIAL USE.

OFFSITE MANUFACTURED HOME: A DWELLING UNIT WHICH IS EITHER WHOLLY OR IN SUBSTANTIAL PART MANUFACTURED AT AN OFF-SITE LOCATION TO BE ASSEMBLED ON-SITE, WHICH INCLUDES A MANUFACTURED HOME, MOBILE HOME, PARK MODEL, OR MODULAR HOME AS DEFINED IN THIS SECTION.

OFFSITE MANUFACTURED HOME DEVELOPMENT: ANY LOT, TRACT, OR PARCEL OF LAND USED OR OFFERED FOR USE IN WHOLE OR IN PART, WITH OR WITHOUT CHARGE, FOR THE PARKING OF OCCUPIED OFFSITE MANUFACTURED HOMES.

Park Model: A trailer type unit not exceeding 400 square feet that is primarily designed to provide temporary living quarters for recreational, camping, or seasonal use that is built TO AMERICAN NATIONAL STANDARDS INSTITUTE (ANSI) STANDARDS AND on a single chassis mounted on wheels. PARK MODEL CAN INCLUDE STRUCTURE COMMONLY REFERRED AS "TINY HOME".

Recreational Vehicle: A vehicular type unit thirty-two (32) feet or less in length and eight (8) feet or less in width, primarily designed as a temporary living quarters for recreational, camping, or travel use, which either has its own motive power or is mounted on or drawn by another vehicle.

Recreational Vehicle Park: Any lot, tract, or parcel of land used or offered for use in whole or in part with or without charge, for the parking of occupied recreational vehicles, tents, park models, or similar devices used for temporary living quarters for recreational camping or travel purposes.

Amend Chapter 6, Section 608.F. (Residence Districts) to add paragraph F.9 accordingly:

9. OFFSITE MANUFACTURED HOME DEVELOPMENTS.

- a. OFFSITE MANUFACTURED HOME DEVELOPMENT IS ALLOWED R-2, R-3, R-3A, R-4, R-5, R-4A, C-1, C-2, AND C-3 ZONING DISTRICTS SUBJECT TO A USE PERMIT AND THE CONDITIONS OUTLINED BELOW:

- (1) PLACEMENT FOR EACH OFFSITE MANUFACTURED HOME SHALL BE PROVIDED AS FOLLOWS:

- (a) THERE SHALL BE A MINIMUM OF TWENTY FEET BETWEEN OFFSITE MANUFACTURED HOMES AND TEN FEET BETWEEN AWNINGS AND CANOPIES. ALL ANNEXES OR STRUCTURAL ADDITIONS SHALL BE CONSIDERED PART OF THE OFFSITE MANUFACTURED HOME.
- (b) THERE SHALL BE AT LEAST FORTY FEET BETWEEN OFFSITE MANUFACTURED HOMES ON OPPOSITE SIDES OF A PRIVATE ACCESSWAY.
- (c) NO OFFSITE MANUFACTURED HOME, ANNEX OR STRUCTURAL ADDITION SHALL BE CLOSER THAN EIGHT FEET TO ANY PRIVATE ACCESSWAY OR PRIVATE DRIVE.

- (2) EACH OFFSITE MANUFACTURED HOME SPACE SHALL HAVE PRIVATE OUTDOOR LIVING SPACE OF AT LEAST 150 SQUARE FEET. THE DIMENSION OF THIS SPACE SHALL BE AT LEAST FIFTEEN FEET IN WIDTH.

- (3) FOR EACH OCCUPIED OFFSITE MANUFACTURED HOME SPACE, THERE SHALL BE AN ENCLOSED STORAGE LOCKER

FOR YARD TOOLS AND OTHER BULKY ITEMS CONVENIENT TO THE SPACE WITH A STORAGE CAPACITY OF AT LEAST ONE HUNDRED FIFTY CUBIC FEET.

- (4) ALL AREAS NOT COVERED BY STRUCTURES OR PAVED SURFACES SHALL BE LANDSCAPED AND MAINTAINED IN ACCORDANCE WITH THE SITE PLANS REQUIRED UNDER SECTION 507.
- (5) SCREENING THE PERIMETER OF AN OFFSITE MANUFACTURED HOME DEVELOPMENT BY A WALL OR OTHER APPROVED MATERIAL MAY BE REQUIRED.
- (6) THERE SHALL BE A NETWORK OF PEDESTRIAN WALKS CONNECTING OFFSITE MANUFACTURED HOME SPACES WITH EACH OTHER AND WITH DEVELOPMENT FACILITIES.
- (7) IF STORAGE YARDS ARE PROVIDED, THERE SHALL BE A SCREENED STORAGE YARD OR YARDS FOR BOATS, RECREATIONAL VEHICLES, ETC. SUCH STORAGE YARDS SHALL HAVE A MINIMUM OF SIXTY SQUARE FEET OF STORAGE SPACE FOR EACH OFFSITE MANUFACTURED HOME SPACE IN THE DEVELOPMENT AND SHALL BE LOCATED SO AS TO NOT DETRACT FROM SURROUNDING PROPERTIES. ALL BOATS AND RECREATIONAL VEHICLES SHALL BE PARKED IN THE STORAGE YARD.
- (8) EACH OFFSITE MANUFACTURED HOME SHALL A): BE AFFIXED PERMANENTLY TO THE GROUND OR B): HAVE "SKIRTING" AROUND ITS PERIMETER TO SCREEN ITS WHEELS AND UNDERCARRIAGE.
- (9) ALL UTILITIES AND THE WIRES OF ANY CENTRAL TELEVISION OR RADIO ANTENNA SYSTEM SHALL BE UNDERGROUND.
- (10) NOT MORE THAN FIFTEEN PERCENT OF THE SPACES IN ANY ONE OFFSITE MANUFACTURED HOME DEVELOPMENT SHALL BE DEVELOPED OR USED FOR RECREATIONAL VEHICLES.
- (11) DEVELOPMENT OF OFFSITE MANUFACTURED HOME COMMUNITIES SHALL BE UNDER THE PLANNED RESIDENTIAL DEVELOPMENT OPTION OF THE UNDERLYING ZONING DISTRICT.
- (12) PRIVATE DRIVES MAY BE USED FOR ACCESS TO EACH OFFSITE MANUFACTURED HOMES ONLY WHEN THERE IS NO SUBDIVISION OF THE MOBILE HOME DEVELOPMENT INTO INDIVIDUAL LOTS.
- (13) THERE SHALL BE A MINIMUM OF FIVE PERCENT OF THE TOTAL AREA OF THE OFFSITE MANUFACTURED HOME DEVELOPMENT DEDICATED OR RESERVED AS USABLE

COMMON "OPEN SPACE" LAND. COMMON "OPEN SPACE" LANDS SHALL BE CLEARLY DESIGNATED ON THE PLAN AS TO THE CHARACTER OF USE AND DEVELOPMENT BUT SHALL NOT INCLUDE:

- (a) AREAS RESERVED FOR THE EXCLUSIVE USE OR BENEFIT OF AN INDIVIDUAL TENANT OR OWNER; NOR
- (b) DEDICATED STREETS, ALLEYS, AND OTHER PUBLIC RIGHTS-OF-WAY; NOR
- (c) VEHICULAR DRIVES, PARKING, LOADING, AND STORAGE AREAS; NOR
- (d) REQUIRED SETBACK AREAS AT EXTERIOR BOUNDARIES OF THE SITE; NOR
- (e) GOLF COURSES.

ADEQUATE GUARANTEES MUST BE PROVIDED TO ENSURE PERMANENT RETENTION OF "OPEN SPACE" LAND AREA RESULTING FROM THE APPLICATION OF THESE REGULATIONS, EITHER BY PRIVATE RESERVATION FOR THE USE OF THE RESIDENTS WITHIN THE DEVELOPMENT OR BY DEDICATION TO THE PUBLIC, OR A COMBINATION THEREOF.

Amend Chapter 6, Section 647.A.2.k. (Special Permit Uses) to delete mobile home developments and renumber remaining section accordingly:

k. ~~Mobile home developments.~~

- (1) ~~**Purpose.** The purpose of this mobile home park development section is to allow an alternative living style and dwelling type to conventional single-family and multifamily housing. Mobile homes can provide a major source of acceptable housing for moderate income persons with minimal maintenance. The standards contained in this section are intended to afford adequate air and space between units, screening, open and pedestrian spaces, and storage areas and other customary accessory facilities. In addition, the district regulations and development review are designed to protect and enhance the mobile home site and its environs.~~
- (2) ~~**Permitted uses.** Mobile home development only when located in an R-2 and R-3 district, and subject to the following conditions:~~
 - (a) ~~The site shall be at least ten acres unless it is an expansion of an existing development.~~
 - (b) ~~Open space for each mobile home shall be provided as follows:~~

- (i) ~~There shall be twenty feet of open space between mobile homes. The width of any common walk between mobile homes shall not be counted as part of this required open space. All annexes or structural additions shall be considered part of the mobile home. This space may be reduced to ten feet between awnings or canopies.~~
 - (ii) ~~There shall be at least forty feet between mobile homes on opposite sides of a private accessway.~~
 - (iii) ~~No mobile home shall be closer than eight feet to any private accessway or private drive.~~
- (c) ~~Each mobile home space shall have private outdoor living space of at least three hundred square feet. The least dimension of this space shall be at least fifteen feet.~~
- (d) ~~For each occupied mobile home space, there shall be a storage locker for yard tools and other bulky items convenient to the space. It shall be at least six feet high with a storage capacity of at least one hundred fifty cubic feet.~~
- (e) ~~All areas not covered by structures or paved surfaces shall be landscaped and maintained in accordance with the site plans required under Section 507.~~
- (f) ~~Screening the perimeter of a mobile home development by a wall or other approved material may be required.~~
- (g) ~~There shall be a network of pedestrian walks connecting mobile home spaces with each other and with development facilities.~~
- (h) ~~There shall be a laundry with a screened clothes drying yard.~~
- (i) ~~There shall be a screened storage yard or yards for boats, recreational vehicles, etc. Such storage yards shall have a minimum of sixty square feet of storage space for each mobile home space in the development and shall be located so as to not detract from surrounding properties. All boats and recreational vehicles shall be parked in the storage yard.~~
- (j) ~~Each mobile home shall have "skirting" around its perimeter to screen its wheels and undercarriage, or the mobile home shall be placed in an excavation specifically designed to hide the wheels and undercarriage from view.~~
- (k) ~~All utilities and the wires of any central television or radio antenna system shall be underground.~~
- (l) ~~Not more than fifteen percent of the spaces in any one mobile home development shall be developed or used for recreational vehicles.~~

- (m) Development shall be under the planned residential development option of the underlying zoning district.
- (n) Private drives may be used for access to each mobile home only when there is no subdivision of the mobile home development into individual lots.
- (o) There shall be a minimum of five percent of the total area of the mobile home development dedicated or reserved as usable common "open space" land. Common "open space" lands shall be clearly designated on the plan as to the character of use and development but shall not include:
 - (i) Areas reserved for the exclusive use or benefit of an individual tenant or owner; nor
 - (ii) Dedicated streets, alleys, and other public rights of way; nor
 - (iii) Vehicular drives, parking, loading, and storage areas; nor
 - (iv) Required setback areas at exterior boundaries of the site; nor
 - (v) Golf courses.

Adequate guarantees must be provided to ensure permanent retention of "open space" land area resulting from the application of these regulations, either by private reservation for the use of the residents within the development or by dedication to the public, or a combination thereof.

- (p) Manufactured homes are permitted in mobile home developments which were existing prior to May 7, 2010 and shall not be subject to the design review standards outlined in the Guidelines for Design Review Section of the Zoning Ordinance.



City of Phoenix

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| RESEARCH REPORT CITY MANAGER'S OFFICE | | |
| | | DATE ISSUED 2/23/23 |
| TO: Mayor and Council | FROM: Jeff Barton, City Manager | |
| SUBJECT Mobile Home Resident and Mobile Home Park Displacement Options | | |

Introduction

Residents of mobile home communities throughout the City of Phoenix have faced displacement due to the redevelopment of mobile home park sites. Residents of three communities, including Periwinkle, Weldon Court, and Las Casitas, are under imminent threat of displacement. Many residents of these communities have contacted the City of Phoenix to seek assistance. In response to these concerns and in coordination with the Mayor and City Council, an internal work group was formed on Sept. 28, 2022, to determine how the City of Phoenix can assist families facing imminent displacement and to identify measures to reduce this risk in the future.

Background

The Work Group is comprised of City staff from throughout the organization and includes the Phoenix Industrial Development Authority (IDA). The team was charged with evaluating all legal and financial assistance the City could offer to the tenants of the three properties mentioned earlier in this report. The team also reviewed and evaluated options to develop long-term strategies to prevent this issue from happening in the future.

This report details programs, initiatives, and strategies to address the displacement of mobile home residents in the City of Phoenix. However, due to limitations from Arizona State Statutes, the City is constrained from taking certain actions. This report includes legal analysis and also covers approaches taken by other jurisdictions to address similar challenges in their communities. Each proposed program and strategy is detailed in this report along with a set of recommended actions. Recommended programs and strategies are organized by the following:

1. Immediate Solutions - Financial Assistance and Support Services;
2. Medium Term Solutions - Planning and Zoning Initiatives;
3. Long Term Solutions - Ownership and Acquisition Strategies.

Staff also recommends supporting Arizona State legislative changes that would increase the State-administered displacement funds for each resident that is impacted by redevelopment of mobile home parks, as well as any legislative changes that would allow for a Right of First Refusal Purchase by the existing residents when mobile home park developments are offered for sale.

The section entitled **Viable Options** details the actions staff recommends the City implement to assist families facing displacement. The section entitled **Non-Viable Options** provides information on programs and strategies that were evaluated but determined to be non-viable options. **Attachment A** provides an overview of staff recommendations as well as the evaluated programs which were determined to be non-viable options, based on legal analysis and the research conducted by the Work Group.

Legal Analysis and Discussion

The Work Group on mobile home parks asked the Law Department to analyze the legal risks of:

1. Imposing a development moratorium on redeveloping mobile home parks;
2. Eliminating non-mobile home park zoning entitlements from existing mobile homes;
3. Requiring mobile home park landlords to pay relocation assistance exceeding the amount required by Arizona Revised Statute;
4. Using City funds to pay residents additional relocation assistance exceeding the amount required by Arizona Revised Statute.

First, the City cannot impose a development moratorium on any private property, including mobile home parks, without clear justification. The Arizona State Legislature has declared development moratoriums a matter of statewide concern, because moratoriums could negatively affect property rights and property owners. The City would have to determine that a moratorium is justified (e.g., a lack of adequate infrastructure, among other things), and limit the location and duration of any moratorium.

Second, the City can eliminate non-mobile home park zoning entitlements from an existing mobile home park without exposing the City to potentially significant claims for diminution of property value under Prop. 207. However, any land use law that diminishes a landowner's existing rights to use, divide, sell or possess their land would require the City to compensate the landowner for the diminished value.

Third, the State established a regulatory system for all mobile landlord-tenant relationships, including a relocation fund to pay relocation assistance to tenants displaced from a mobile home park. Thus, the City is potentially preempted from requiring landlords to pay more than what is available from the site relocation fund.

Finally, the Arizona Constitution prohibits the City from giving or loaning its public resources (e.g., general fund dollars) to aid, donate, or subsidize individuals or companies. The City may be subject to a challenge for violation of the gift clause if the City expends general funds to provide additional relocation assistance to mobile home park tenants.

Viable Options

This section details recommended actions for the City of Phoenix to implement to assist individuals and families facing displacement from mobile home communities.

Immediate Solutions: Financial Assistance and Support Services

1. Rental/Utility Deposit and Rental Payment Assistance

Staff recommends two financial assistance programs which can be implemented immediately to support impacted residents. Using already approved American Rescue Plan Act (ARPA) Tranche One and remaining Emergency Rental Assistance (ERA) funds, the proposed programs include rent and utility (water/sewer, gas and electric) deposits, and rental/utility payments for up to 15 months (inclusive of three months forward rent and utility credits) or 12 months lump sum rental payment.

The following eligibility requirements will be used for deposit and payment assistance:

- Must be a Phoenix resident.
- Must have an income at or below 120 percent of Area Median Income (AMI) or \$106,560 for a family of four.
- Must qualify for unemployment benefits, experience a reduction in income, or experience other financial hardships caused by the COVID-19 pandemic.
- Must demonstrate risk of homelessness or housing instability.
- Must have incurred rent (including deposits, move-in costs, legal and late fees) and utility bills after March 13, 2020. **(If rent has not been charged, they are not eligible for assistance beyond help securing a new dwelling unit.)**

2. Case Management and Housing Navigation Services

Staff recommends a new program to provide case management and housing navigation services in partnership with a local, community-based non-profit that specializes in providing these types of services. If approved, the Human Services Department will request Council Approval to enter into an Intergovernmental Agreement (IGA) for up to \$300,000 using American Rescue Plan Act (ARPA) Tranche One funding with the City of Phoenix Industrial Development Authority (IDA) to contract with Helping Families in Need (HFIN). Currently, Trellis is providing these services through a contract with Grand Canyon University (GCU) for Periwinkle residents.

With Council approval, HFIN would provide services to residents of the Las Casitas and Weldon Court communities. The services would include case management that supports

housing needs, access to physical healthcare, behavioral healthcare, nutrition assistance, cash assistance, workforce development, emergency rental assistance and vouchers, etc.

3. Emergency Housing Vouchers (EHV)

Staff recommends providing Emergency Housing Vouchers (EHV) to assist individuals and families facing displacement from mobile home parks. The EHV program is available through the American Rescue Plan Act (ARPA) via the U.S. Department of Housing and Urban Development (HUD). The vouchers are available to assist individuals and families who are homeless, at risk of homelessness, recently homeless or have a high risk of housing instability. The program is managed through a direct referral process from the Continuum of Care (CoC) regional Coordinated Entry (CE) System and could potentially be utilized by displaced residents, pending availability and meeting eligibility requirements.

Eligibility for use of the voucher program is determined through the CoC CE System. At least one family member must be a U.S. Citizen or eligible non-citizen to utilize the program. Once eligibility has been determined, referrals are made to the Housing Department through designated coordinated entry points. This resource is limited and will be utilized until exhausted.

4. Communication Strategy and Action Protocol

Staff recommends developing a communication strategy and action protocol to inform residents of critical information related to their potential displacement as well as available assistance programs and other resources.

In 2019, the City of Apache Junction and Arizona State University completed a study on Mobile Home Parks. The study focused on preserving affordable housing, improving the conditions of mobile home parks, increasing the quality of life for residents, and promoting the redevelopment of parks when appropriate. One of the key recommendations was the creation of a communication strategy and action protocol for the notification and provision of resource assistance for mobile home residents when the park in which they reside becomes available for sale.

This recommendation is to develop communication strategies that connect mobile home residents with resources and inform residents at risk of displacement of opportunities for other affordable housing options. The information would include an overview of the rights of mobile home residents, approved programs within this report and other available resources, such as the State of Arizona's Mobile Home Relocation Fund. This fund provides monetary assistance to mobile home owners when mobile home parks are closed or redeveloped. The fund provides moving expense assistance, through direct payment to an installer, of up to \$7,500 for a single-wide or \$12,500 for a multi-section home.

5. Homeownership Down Payment Assistance

A. Open Doors Down Payment Assistance Program

Staff recommends providing residents information and assistance to participate in the Open Doors Down Payment Assistance program, which is designed to assist eligible first-time homebuyers with the purchase of an affordable home in the City of Phoenix.

The program, funded by the federal HOME Investment Partnerships Program, provides down payment and/or closing cost assistance to households earning at or below 80 percent of the Area Median Income (AMI). The beneficiary must be a U.S. citizen or eligible non-citizen. To utilize program funding for a manufactured home purchase, the home must be affixed as real property, on a permanent foundation and connected to permanent utility hook-ups.

Total assistance is based on eligibility and individual need. Homebuyers will be required to attend pre-purchasing counseling provided by a U.S. Department of Housing and Urban Development (HUD) certified housing counseling agency and certified housing counselor. Homeownership down payment assistance funds are offered as a deferred payment loan that:

- Has an interest rate of 0 percent with no monthly principal payments;
- Provides up to 10 percent of the purchase price of a home;
- Is fully forgiven after the period of affordability;
- Can be layered with other homeownership down payment assistance programs.

B. Additional Support through Community Development Block Grant (CDBG)

Staff also recommends pursuing the possibility of supplementing the Housing Department's Open Doors Down Payment Assistance Program with available CDBG funding. The additional assistance could be provided to eligible families interested in homeownership. Beneficiary must be a U.S. citizen or eligible non-citizen.

CDBG funds can assist low- to moderate-income households with the following homeownership activities for the purchase of single-family homes:

- 50 percent of the lender required down payment;
- Payment of closing costs, which must be deemed reasonable;
- Subsidized interest rates and mortgage principal amounts.

Note: The following medium- and long-term recommended solutions would be included in the City's overall strategy to assist residents of mobile home communities. However, these recommendations would not address the current concerns related to the imminent displacement of residents at the three identified communities.

6. Modify Existing Special Permit Mobile Home Park Development Requirements

Staff recommends the consideration of modifying existing Special Permit Mobile Home Park Development requirements to make it easier to continue to operate, expand, or create new mobile home parks. This could be done by modifying the existing special permit allowances.

Staff recommends modifying the existing special permit allowances for mobile home parks through a text amendment to the zoning ordinance. This text amendment would address current zoning ordinance requirements to look for ways to increase market viability so that developers could develop new mobile home parks. This amendment would look at zoning requirements for items such as but not limited to minimum acreage size, spacing between units, and common open space. It could also allow other housing types within the new mobile home park. This could allow for new parks to be built that would offer more affordable housing than traditional homes. The expansion could include additional relocation requirements if developed under the new text amendment provisions.

7. Create A Mobile Home Park Zoning Overlay Incentive District

Staff recommends the consideration of drafting a Mobile Home Park Zoning Overlay Incentive District with incentives for property owners of existing mobile home parks to opt into the overlay and operate as a mobile home park.

With the Overlay District, property owners could “opt in” and obtain greater property entitlements in one of two ways. The first option would be the property owner would maintain the existing mobile home park for (e.g., 10 years) in exchange for additional density, height, or setbacks, etc. after the specified timeframe was met. The second option would allow the property owner to redevelop the site in exchange for additional density, height, or setbacks, etc., before the specified timeframe was met, if onsite affordable housing was provided or funds were allocated for relocation fees. In order for this option to be viable, logistical challenges would need to be remedied through robust stakeholder meetings and feedback, to discuss any potential incentive for additional setbacks, height requirement, density, etc. As a result, there could be significant challenges associated with this option.

Arizona Revised Statute (A.R.S.) 12-1134 precludes the City from requiring the overlay be applied to existing mobile home parks but incentivizes the maintenance of existing mobile home parks.

8. Modify Legal Non-Conforming Zoning Ordinance Provisions

Staff recommends modifying Legal Non-Conforming Zoning Ordinance provisions to allow for expansion of existing mobile home parks. Staff recommends a text amendment that specifically allows for the expansion of legal non-conforming zoning rights to cite

additional mobile home units and other types of units like tiny homes in existing mobile home parks. This effort will also allow for a review of the on-site development code and infrastructure requirements to ensure that minimum requirements are as safe and efficient as possible. Staff recommends expanding the allowable housing types such as tiny homes (Park Models) to replace existing mobile homes. Tiny homes provide an affordable alternative to mobile or manufactured homes. Currently, Phoenix Zoning Ordinance allows existing mobile home parks to replace older mobile homes (built prior to June 15, 1976) with a manufactured home (built after June 15, 1976, per U.S. Department of Housing and Urban Development (HUD) standards) by right.

Additionally, most existing mobile home parks are considered nonconforming. Many were annexed from Maricopa County or were developed under different zoning requirements which rendered them nonconforming. An expansion of a nonconforming use is limited to a structure housing a nonconforming single-family residential use or an accessory structure for a nonconforming single-family residential use. Existing mobile home parks are frozen in time at the time they became nonconforming. Any expansions or changes would require bringing the site into compliance with existing requirements for mobile home parks, adding significant costs for improvements. An amendment to the Phoenix Zoning Ordinance to allow existing mobile home parks to expand by adding additional units and make proportional improvements could also be considered.

9. Explore Opportunities to Partner with Qualified Opportunity Fund (QOF)

Staff recommends exploring opportunities to partner with a Qualified Opportunity Fund (QOF) to invest in purchasing mobile home park land when a property owner desires to sell for redevelopment. Purchase by the fund would allow for additional time to help impacted mobile home residents move to another location or pursue other options. Any purchased land would take advantage of the Mobile Home Park Zoning Overlay Incentive District allowances to enhance their interest in purchasing the parcel.

Long Term Solutions: Ownership and Acquisition Strategies

10. Partner with Nonprofit(s) to Purchase Mobile Home Parks

Staff recommends working to identify nonprofit partners to purchase existing mobile home parks to stabilize the existing park operations and/or allow for redevelopment of the property that limits displacement of existing residents.

If redevelopment is pursued, the City can partner by offering funding assistance for new affordable housing development that prioritizes new housing options for mobile home park residents. Available funding for purchase and/or redevelopment must be identified and may have residency requirements. Due to the timing associated with redevelopment, residents may need to be temporarily relocated and potentially pursue alternative housing options.

The Phoenix Industrial Development Authority (IDA) has agreed to work with the City to develop financing options that may assist non-profits or other community partners in their purchasing efforts.

11. Establish Resident Owned Communities (ROC USA)

Staff recommends engaging with ROC USA, which is a national nonprofit that assists existing mobile homeowners in forming a cooperative entity to finance the purchase of a mobile home park.

ROC USA works with regional technical assistance affiliates to study the feasibility of purchasing mobile home parks, helping residents form a cooperative association, and identifying funding sources for the purchase. ROC USA may be able to provide loans to assist with the resident purchase of a mobile home park. To pursue resident purchase of a mobile home park, park ownership concurrence and traditional and/or nonprofit funding sources must be identified. Increasing land values and potential for park redevelopment could make it difficult to find park owners who are willing to participate in this program.

12. Develop a Comprehensive Strategy and Action Plan

Staff recommends the development of a Comprehensive Strategy and Action Plan related to mobile home communities and manufactured housing. This Comprehensive Strategy and Action Plan would be developed through the formation of a steering committee comprised of City staff, community members, and housing experts.

The City of Boulder, Colorado developed a Manufactured Housing Strategy with an Action Plan focused on efforts that encourage the preservation of existing manufactured home communities, facilitating the development of new manufactured home communities, increasing opportunities for Resident Owned Communities (ROCs), reducing or eliminating health and safety issues, and rehousing displaced households.

By engaging in a comprehensive study and analysis the City will be better prepared to take a proactive approach in assisting residents of mobile home and manufactured housing communities.

Non-Viable Options

This section provides information on the programs and strategies that were evaluated by staff but determined to be non-viable options to assist individuals and families facing displacement from mobile home communities.

Financial Assistance and Support Services

1. City of Phoenix Affordable Housing Units and Housing Choice Vouchers

Staff evaluated the possibility of providing displaced mobile home residents access to public housing or affordable units by housing displaced communities at City properties. Staff also evaluated providing Housing Choice Vouchers to eligible individuals and families. Both strategies were determined to be non-viable solutions.

Currently all public housing and affordable housing properties have high occupancy rates and a wait list of interested residents. Similarly, the Housing Choice Voucher wait list is currently closed. The current U.S. Department of Housing and Urban Development (HUD) approved Administrative Plan for wait list local preferences does not include private displacement action, therefore mobile home park residents being displaced by private action could not be directly placed into vacant units or provided a Housing Choice Voucher.

Ownership and Acquisition Strategies

2. City Purchase of At-Risk Mobile Home Parks

Staff evaluated the possibility of the City of Phoenix purchasing mobile home parks that are at risk of investor purchase, which would potentially result in the displacement of residents. This option would prevent resident displacement and increase stability while preserving affordable housing.

However, staff determined this was a non-viable solution due to the following challenges:

- Current park owners would need to agree to sell to the City of Phoenix.
- There is a high number of mobile home parks Citywide.
- There would be additional costs including required infrastructure improvements, replacement of unsafe units, contract with third-party management companies, etc.
- It would be inconsistent with previous community planning efforts.
- Long-term financial costs associated with being a mobile home park owner are not in line with City priorities.

3. City Acquisition of Land for Mobile Home Use

Staff evaluated the possibility of the City of Phoenix purchasing land for mobile home use. This option would increase affordable housing options. However, staff determined this was a non-viable solution due to the following challenges:

- It would be an inefficient use of land and subsidy when higher density housing could be developed to address the current housing shortage more effectively.
- There is limited availability of suitable sites (10-acre minimum, correct zoning, etc.).
- There would be additional costs including required infrastructure improvements, replacement of unsafe units, contract with third-party management company, etc.
- It would be inconsistent with previous community planning efforts.

4. City-Owned Property for Use as Manufactured/Mobile Home Park or Tiny Homes

Staff reviewed the list of City-owned properties for use as a manufactured home park and the requirements for use including development, relocation of units, and management. The minimum site size for development of an average 100-space park is seven and one-half acres.

Staff concluded the use of City-owned property for use as a manufactured home park is non-viable since the City does not have excess land suitable for this purpose. Furthermore, the high cost and risk associated with this type of development, as well as ongoing management and maintenance, are impediments to using City-owned property. The current inventory of City-owned land is comprised of sites that are either too small to accommodate a manufactured home park or larger sites set aside for affordable housing, future fire stations, water facilities, other public uses, or located within a residential neighborhood and originally planned for a neighborhood park.

Utilizing City-owned property would require homes currently facing displacement to be physically moved from their current locations. This type of move is estimated to cost approximately \$10,000 to relocate a mobile home. In most situations, moving professionals have been unwilling to relocate these structures due to the age and associated risk of moving these units. Additionally, development cost of a 100-space manufactured home park is estimated to be approximately \$1.8 million. Considering the gift clause, the use of City-owned land as a manufactured home park would require leases at market rent. Management fees are generally seven to ten percent of collected rents, plus ongoing operation and maintenance costs, reserves for replacement, liability, and risk. As a result, residents would still face affordability challenges. For these reasons, staff determined the utilization of City-owned property is a non-viable option.

Planning and Zoning Initiatives

5. Exclusive Zoning District for Mobile Home Parks

Staff does not recommend the consideration of drafting a Mobile Home Park Zoning District and rezoning existing mobile home parks because it would be a new land use that diminishes the value of the properties zoning entitlements, and the City would be required to pay for the diminished value under Arizona Revised Statute (A.R.S.) 12-1134.

This exclusive zoning district would limit the allowed land use to mobile home parks and accessory uses for the park (e.g., clubhouse, pool, etc.). Most existing mobile home parks are entitled with multifamily or commercial zoning which makes the land extremely vulnerable to redevelopment, loss of low-income housing options, and contributes further to resident displacement. This approach was found not to be a regulatory taking in the State of Washington under *LAUREL PARK COMMUNITY v. CITY OF TUMWATER*; however, the City is liable to diminution of property value under Arizona Revised Statute

(A.R.S.) 12-1134 if new zoning district is applied retroactively, meaning landowners would need to be compensated. American Rescue Plan Act (ARPA) funds are likely not a source of compensation for affected landowners.

Recommendations

Based on legal analysis and the research conducted by the Work Group:

Staff recommends the following immediate programs:

- Utilizing American Rescue Plan Act (ARPA) and Emergency Rental Assistance (ERA) funding for Rental/Utility Deposit, Rental Payment Assistance, Case Management and Housing Navigation Services. It is important to note that the amount of funds available is limited, as is the timeframe the funds are available.
- Providing Emergency Housing Vouchers (EHV) to individuals facing displacement.
- Developing a Communication Strategy and Action Protocol.
- Focusing outreach efforts of the Open Doors Down Payment Assistance Program to benefit mobile home park residents, and possibly supplementing the program with Community Development Block Grant (CDBG) funding.

Staff recommends the following medium-term programs:

- Addressing existing Special Permit Mobile Home Park Development requirements, making it easier for landowners to continue to operate, expand, or create new mobile home parks.
- Creating a Mobile Home Park Zoning Overlay Incentive District to provide incentives for property owners to delay redevelopment of existing mobile home parks.
- Addressing Legal Non-Conforming Zoning Ordinance provisions to allow expansion of existing mobile home parks and tiny homes.
- Explore opportunities to partner with a Qualified Opportunity Fund (QOF) to invest in purchasing mobile home park land when a property owner desires to sell for redevelopment.

Staff recommends the following long-term programs:

- Partnering with nonprofit(s) to purchase mobile home parks.
- Working with residents at risk of displacement to engage with and create Resident Owned Communities (ROC USA).
- Developing a comprehensive strategy and action plan to take a proactive approach in assisting residents of mobile home and manufactured housing communities.

Staff also recommends supporting Arizona State legislative changes that would the State-administered displacement funds for each resident that is impacted by the redevelopment of mobile home parks, as well as any legislative changes that would allow for a Right of First Refusal Purchase by the existing residents when mobile home park developments are offered for sale.

Attachment A

Based on legal analysis, staff recommends the following proposed programs and strategies to assist mobile home residents in the City of Phoenix:

| RECOMMENDED PROGRAMS | TIMELINE |
|--|-------------|
| Rental/Utility Deposit and Rental Payment Assistance | Immediate |
| Case Management and Housing Navigation Services | Immediate |
| Emergency Housing Vouchers (EHV) | Immediate |
| Communication Strategy and Action Protocol | Immediate |
| Homeownership Down Payment Assistance | Immediate |
| Modify Existing Special Permit Mobile Home Park Development Requirements | Medium Term |
| Create A Mobile Home Park Zoning Overlay Incentive District | Medium Term |
| Modify Legal Non-Conforming Zoning Ordinance Provisions | Medium Term |
| Explore Opportunities to Partner with Qualified Opportunity Fund (QOF) | Medium Term |
| Partner with Nonprofit(s) to Purchase Mobile Home Parks | Long Term |
| Establish Resident Owned Communities (ROC USA) | Long Term |
| Develop a Comprehensive Strategy and Action Plan | Long Term |

Staff evaluated the following programs and strategies but determined they are non-viable options to assist families facing displacement from mobile home communities:

| EVALUATED PROGRAMS – NON-VIABLE OPTIONS | TIMELINE |
|---|----------|
| City Affordable Housing Units and Housing Choice Vouchers | N/A |
| City Purchase of At-Risk Mobile Home Parks | N/A |
| City Acquisition of Land for Mobile Home Parks | N/A |
| City Property for Manufactured/Mobile Home Park or Tiny Homes | N/A |
| Exclusive Zoning District for Mobile Home Parks | N/A |