In Search of Mobile Home Comparables

BY DARRYL ROOT, JD, R/W-RAC



This is the second in a series of articles discussing the planning for and actual relocation of mobile home parks that are impacted by federally-funded projects. Different agencies, as well as state and local jurisdictions may have their own set of rules concerning the closure of mobile home parks. The reader is advised to carefully examine their particular agency's established procedures, along with state, local and federal regulations concerning the relocation of mobile home park residents. This should take place before beginning to plan or implement relocation activities.

One of the most critical items in planning for the relocation of a mobile home park is to determine the availability of comparable housing for displaced residents. The first question is whether their mobile homes are considered realty or personalty. Different states have various rules concerning the nature of mobile homes, and it is imperative that an accurate, consistent rule be applied equally to all park residents based on their occupancy status in the mobile home. The determination of whether the units are realty

or personalty should be made by a qualified appraiser. (The search for comparable housing may be somewhat easier if the mobile units are considered realty, as this may more directly allow the use of conventional housing for comparables.)

The task of locating comparable housing may be more difficult if the mobile units are determined to be personal property. For example, due to the general nature of



construction of manufactured housing and the decline of its structural integrity with age, it is often difficult to locate comparable replacement housing that is decent, safe and sanitary in existing parks. In addition, in a number of states, there has been a decline in the total number of mobile home parks, as these properties are increasingly being converted to other more profitable uses.

The search for comparables can be made even more difficult as residents usually want to relocate to housing that has certain attributes they feel are important but that might not be required by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA). For example, if the impacted park is near the beach or other recreational areas, many residents would prefer to live in the same area or an area that offers the same amenities. However, there may not be another similarly situated existing park to use as comparable housing. In addition, other forms of nearby comparable conventional housing may be too expensive for most mobile home park tenants. (It should be noted that the phrase "style of living" was deleted from the regulatory definition of comparable replacement dwelling in 2005.)

To further complicate matters, an increasing number of jurisdictions are applying rent stabilization ordinances to mobile home parks, and this adds an additional overlay of notice and payment requirements. This is especially true in California where over 90 jurisdictions have these types of ordinances.

To begin the search for comparable replacement housing, the relocation professional should first review the URA standards governing comparable replacement housing:

TITLE 49 PART 24—UNIFORM RELOCATION ASSISTANCE AND REAL PROPERTY ACQUISITION FOR FEDERAL AND FEDERALLY-ASSISTED PROGRAMS

§ 24.2 Definitions and acronyms.

- 6) Comparable replacement dwelling. The term comparable replacement dwelling means a dwelling which is:
- (i) Decent, safe and sanitary...
- (ii) Functionally equivalent to the displacement dwelling...
- (iii) Adequate in size to accommodate the occupants;
- (iv) In an area not subject to unreasonable adverse environmental conditions;
- (v) In a location generally not less desirable than the location of the displaced person's dwelling with respect to public utilities and commercial and public facilities, and reasonably accessible to the person's place of employment;
- (vi) On a site that is typical in size for residential development with normal site improvements, including customary landscaping. The site need not include special improvements such as outbuildings, swimming pools, or greenhouses. (See also § 24.403(a)(2));
- (vii) Currently available to the displaced person on the private market except as provided in paragraph (a)(6)(ix) of this section (See appendix A, § 24.2(a)(6)(vii)); and
- (viii) Within the financial means of the displaced person....

Many of these factors are further defined elsewhere in the regulations, and these additional definitions should be reviewed. Appendix A to Part 24 further clarifies what can used as comparable housing for those displaced from a mobile home. For example, this Appendix notes that a recreational vehicle that is capable of providing living accommodations may be considered a replacement dwelling if certain criteria are met.

The next article will examine specific, practical factors to look at when selecting comparable replacement housing for displaced mobile home occupants.



Darryl Root, JD, R/W-RAC

Darryl is Vice President of Marketing and Business Development for Paragon Partners Ltd. He has more than 20 years of professional real estate experience in both the public and private sectors involving real estate sales and acquisition of right of way, easements and fee property, as well as residential and commercial relocation assistance. Darryl has a law degree from Washington University School of Law and an MBA from Maryville University in St. Louis.