



# CITY OF RAPID CITY

RAPID CITY, SOUTH DAKOTA 57701-5035

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## Community Planning & Development Services

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### MEMORANDUM

TO: Chairman and Members of Legal and Finance Committee

FROM: Brett Limbaugh, Director

DATE: May 15, 2012

RE: Modular Housing in Manufactured Housing Parks.

Staff was directed to respond to a proposal from Bob Akers to allow Modular Homes as replacement units within the existing Manufactured Home parks. Staff has met with Matt Konenkamp, the attorney representing Bob Akers, to discuss the proposed revision. A brief summary of the issues discussed is presented in this memorandum for consideration by the Public Works Committee and City Council.

#### **Difference between Manufactured Homes and Modular Homes**

There is a distinct difference in the regulatory authority governing the construction of *Manufactured Housing* and all other housing types. Manufactured Housing, commonly called mobile homes or trailers, appeared as a result of Federal legislation passed by the United States Congress. The National Manufactured Housing Construction and Safety Act (42 U.S.C.) is the HUD standard that regulates the construction for all Manufactured Homes. The factory where Manufactured Houses are constructed is certified through HUD and each unit is required to display a HUD placard. The City does not regulate the construction or repair of a Manufactured Home. The City does require a permit for the placement of the home within a Manufactured Home park to ensure compliance with location, skirting, and utility connection requirements. Traditional mortgage financing is usually not used for Manufactured Homes because the units are generally not placed on a permanent foundation within a subdivided lot. In most cases banks finance Manufactured Homes as personal property in the same manner as automobiles using chattle loans. A chattle loan allows the home to be moved from one Manufactured Home park or space within the park because it is not "tied" to the land. Some park owners offer land and home packages in which the home is purchased separately and then a separate loan or lease for the park space is included.



EQUAL HOUSING  
OPPORTUNITY

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All other housing units whether they are single-family units or multi-unit buildings must comply with the City building codes and be constructed on a permanent foundation. Housing units constructed to meet the City building codes can be divided into three main types:

- “Stick built” constructed completely on-site
- “Panelized” factory built components assembled on site
- “Modular” constructed off site and certified to comply with the City building code requirements

In order to construct a stick built, panelized, or Modular Home a contractor is required to obtain a City Contractors License and building permit. In addition, a Modular Home contractor is required to furnish a certification from the factory that the unit complies with the local building codes and include an MSO which is a statement of origin and destination. Modular Homes require a third party inspection because the manufacturer cannot self-certify and the units are not inspected by the City building inspectors. Any Modular Home that does not meet the local code is required to be corrected prior to the issuance of a Certificate of Occupancy by the City. Modular Homes unlike Manufactured Homes are required to be constructed on permanent foundations and can therefore be sold along with the subdivided lot and qualify for a mortgage.

Staff has reviewed the original request submitted by Matt Konenkamp to change the definition of Manufactured Home to include permissive language for Modular Homes. There is general agreement that it would be preferable to leave the Federal definition of Manufactured Home as it is currently codified since this type of unit is not regulated by the City. If the City Council should decide to allow Modular Homes within the existing Manufactured Home Parks it will be necessary to craft a separate definition within the Building and Zoning ordinances that would allow Modular Homes. The City Council must also determine whether that definition would allow “stick built” and “panelized” construction since those units are regulated by the same building codes and constructed on a permanent foundation.

***Staff recommends that the revised definition now before City Council to include Modular Homes within the Manufactured Home definition be denied.***

### **Definition of Primary Structure and Manufactured Homes**

Manufactured Homes are defined by the Building Code as units that comply with the HUD standard requirements of the Manufactured Home Construction and Safety Standards Act effective June 15, 1976. The City does not consider Manufactured Homes as “primary” structures because the units are not regulated by the City building codes. The City code requires a “primary” structure to be constructed on a permanent foundation while the Manufactured Homes are generally supported by piers. In a Manufactured Home park the City code allows one primary structure on a permanent foundation such as a club house or manager’s office while the residential units consisting of Manufactured Homes are on piers.

If the City were to allow Modular Homes within the existing Manufactured Home parks both the Building Code and Zoning Code would need to be amended with respect to the foundation and pier issue. City Council would need to determine whether Modular Homes would be permitted on piers rather than on a permanent foundation. If piers are permitted, the codes should require the applicant to submit proof from a certified engineer that the Modular Home unit can be supported by the piers.

***Staff recommends that Modular Homes not be allowed to be constructed on piers within the Manufactured Home Residential District because all other zone districts require Stick Built, Panelized and Modular Homes to be constructed on a permanent foundation.***

## Replacement Unit Requirements in Existing Parks Compared to New Development.

Should the City Council decide to allow Modular Units to be installed on permanent foundations as a replacement for an existing Manufactured Home, consideration should be given to the impact that revision would have on new development. The table below shows the setback, lot size, lot frontage, lot coverage, and building height requirements for a replacement unit in an existing park compared to a new mobile home park or single-family detached subdivision.

Minimum requirements	Replacement Units in Existing Park	LDR, MDR, and MHR zone districts
Front setback or right-of-way setback	25' arterial/collector 20' sub collector	25' arterial/collector 20' sub collector
Side setback	20' from adjacent unit or 10' with NFPA sprinkler	8' single-story 12' two story
Rear setback	10' from end of an adjacent unit'	25'
Lot frontage	N/A not subdivided	50'
Lot Area	N/A not subdivided	6,500 sq. ft.
Lot coverage	N/A not subdivided	30%
Height	30'	35'

The table indicates that a one or two-story Modular Home installed on a permanent foundation in an existing mobile home park could be separated by 10' from an adjacent unit if the unit has a fire sprinkler system. The LDR, MDR, and MHR zone districts would require a minimum separation of 16' for single-story Modular Home and 24' for two-story Modular Home based on the setback requirements. The LDR, MDR, and MHR zone districts also require a minimum rear yard of 25' or 50' between units when setbacks are applied compared to the replacement unit at 10' from the "end" of another adjacent unit. Modular Units constructed in a new MHP, LDR, and MDR district also have minimum land area requirements based on lot frontage and lot area requirements and require developments to be subdivided. The spaces in the existing Manufactured Home parks are not platted so there is no minimum space size requirement. Land area is regulated only by the minimum spacing between the units.

***Staff recommends that Modular Homes on permanent foundations not be allowed in the existing Manufactured Home parks because this would allow setbacks that are substandard to those required for new construction in the MHR, LDR, and MDR zone districts.***

## Repair, Replacement, and Reconstruction of Utilities and Public Improvements

At the present time Manufactured Homes are permitted as replacement units within the existing parks provided the replacement unit complies with the spacing requirements in the City Building Codes. The volume of replacement units permitted in any calendar year is small limiting the opportunity for the reconstruction and replacement of substandard utilities within the park. Most of the existing parks now in the City were constructed in the County prior to annexation or were constructed in the City prior to the adoption and implementation of modern engineering and development standards. As a result, there are existing Manufactured Home parks with substandard water lines, sewer lines, storm drainage facilities, and related public improvements. If the City Council decides to allow the existing parks to be redeveloped with Modular Homes, Staff would recommend that the park owner be required to reconstruct the park infrastructure to current codes and standards.

***Staff recommends that any major redevelopment or replacement of units within the existing Manufactured Home parks should require the installation and/or reconstruction of substandard utilities.***

### **Design and Construction**

Bob Akers had previously submitted a proposal for the redevelopment of the 76-unit Deluxe Mobile Home Park to include 100 new two-story Modular Homes. This plan was rejected by Staff due the lack of adequate parking, utilities, storm drainage, areas for refuse disposal/snow storage and a companion request for the vacation of public right-of-way to allow for the increase in density. City Council may want to consider whether two story units are desirable as replacement units within the existing parks. Additional design and construction standards for the common areas, house spacing, house size, parking, architecture and similar design criteria should be considered.

***Staff recommends that any major redevelopment of the existing Manufactured Home parks with Modular Homes should require a minimum level of design standards to achieve adequate parking, setback distances, common areas, and architectural standards.***

### **Conclusion and Recommendation**

***Staff is requesting that the Legal and Finance Committee forward the Staff recommendations listed above to City Council. The existing Manufactured Home parks were created specifically to accommodate Manufactured Homes that are regulated by the Federal Government through the HUD process. New and used Manufactured Units are readily available for purchase by the park owners and residents who want to replace an older unit.***