



Legislation Text

File #: 19-1243, **Version:** 1

DATE: December 17, 2019

TO: Members of the Housing & Redevelopment Authority

FROM: Janine Atchison, Housing Coordinator

Florella's Manufactured Home Park Abandoned Coach Removal

SUMMARY AND ACTION REQUESTED:

The Housing & Redevelopment Authority (HRA) to consider funding abandon coach removal at Florella's Mobile Home Park thereby removing blight and thereby assisting with affordable housing options in the community as prioritized in the City of Northfield Strategic Plan.

BACKGROUND:

Florella's Manufactured Home (MH) Park is zoned for 43 Manufactured home at this time. There are 16 vacant lots, 13 MH homeowner occupied, 8 abandoned MH(s) and 5 MH rentals.

Florella's Manufactured Home Park was purchased by Riverside Northfield LLC in July, 2019. The new owners, Colin & Mark Zweber, plan to make needed repairs and updates to maintain the manufactured home park for continued use as affordable housing.

Working together with park residents, the Zweber's have completed the initial clean-up of the park and have made expensive repairs to cure the leaking water system. The next phase of their plans for the park is to remove the abandoned coaches on the property. Other plans for improvements include updating electrical service, water and sewer systems.

Mr. Zweber is requesting assistance from the HRA to cover the cost to remove abandoned, unlivable coaches from the property. Utilizing CDBG funds, the HRA removed 8 abandoned coaches from the property between 2013 & 2015 at an average cost of approximately \$8,000 per coach. The HRA had planned to remove an additional 5 coaches, utilizing HRA reserve funds, in 2015. However, due to lack of cooperation from the previous park owners, the HRA cancelled the project. The cost of coach removal in 2013 - 2015 averaged about \$8,000 per coach.

Mr. Zweber has identified 13 coaches that should be demolished. He plans to have 8 removed this winter and another 5 removed in the summer of 2020. The Zweber's have obtained pricing from Soft Touch Demolition to properly remove and demolish coaches from the property. Soft Touch Demolition President Cliff Lutz possesses the required Minnesota asbestos certification and licensing to complete this type of removal and demolition.

Mr. Zweber and Staff have provided the following documents attached to the agenda for HRA review:

- Florella's Space Inventory spreadsheet

- Identifies lots by PID# and address, owner, Year coach constructed, and size of coach in square feet as listed in Rice County records.
- Abandoned coach removal cost estimate
 - Cost estimate for removal of abandoned coaches based on square footage.
- Coach removal map
 - Indicates the location of the abandoned coaches
- Coach Removal & Demolition estimates from Soft Touch Company
 - Estimate of costs from licensed, certified demolition contractor

Phase 1 would include removal of the 8 abandoned coaches. Removal of these structures over the winter is a high priority as it would allow contractors to begin infrastructure improvements. Full improvements will be completed in one section of the community at a time. Once a section of the community is complete, new homes can be brought in. The residents in the rental housing will have an alternative to their current living situation, which would allow for the removal of Phase 2 rental homes and continue the upgrade process.

ANALYSIS:

Phase 1 of coach removal process consists of the 8 coaches that have been abandoned. HRA and Rice County records indicate that at least 5 of the coaches were abandoned prior to 2015, and 3 additional coaches were abandoned between 2015 and 2017. Based on cost estimates provided by Soft Touch and coach size provided in Rice County records, staff has estimated the minimum cost of removal for the 8 abandoned coaches at \$34,920. This represents an average cost of \$4,365 per coach. However, the estimate does not take into account other possible costs as outlined in the Soft Touch estimate. These additional costs could add as much as \$10,000 or more to the overall cost to remove the 8 abandoned coaches.

Phase 2 coach planned for removal represent larger homes and would cost slightly more to remove and demolish. The estimated minimum cost would be \$4,822 per coach for a total of \$24,110.

OPTIONS:

The HRA may commit some of their reserve funds to pay the costs of coach removal for all 13 homes at a cost of approximately \$59,000. It is not clear if relocation costs, as defined by the federal government, would apply to the HRA for Phase 2 coach removal. Staff would ask for legal assistance to make this determination.

The HRA may commit to utilizing reserve funds up to \$45,000 for Phase 1 removal of abandoned coaches only.

The HRA could consider a \$2,000 per household grant for the 5 household/families who are currently renting the coaches planned for removal in Phase 2.

The HRA could consider creating a down payment assistance program utilizing HRA reserve funds. The program would assist residents to purchase new or nearly new manufactured homes with priority given to Phase 2 residents.

RECOMMENDATION:

Staff recommends the HRA consider a grant of up to \$45,000 for the removal of 8 abandoned, Phase 1, coaches at Florella's Manufactured Home Park in 2020.

Staff further recommends the HRA consider a future program for a manufacture home down payment assistance program and manufactured home buy-back program utilizing HRA reserve funds.

