



# The Florida Senate

Interim Project Report 2007-106

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Committee on Community Affairs

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## MOBILE HOME RELOCATION

### SUMMARY

Escalating property values, especially in Florida's urban coastal counties, have prompted an increasing number of mobile home park owners to close their parks and redevelop or sell the land for other uses. While the statewide impact of this land use trend is uncertain, its effect has been most directly felt by residents of older mobile home parks. These parks typically serve seniors and low-income individuals who have relatively few affordable housing alternatives.

The Florida Mobile Home Relocation Corporation was established in 2002 to provide financial assistance to mobile home owners displaced as a result of the closure of mobile home parks pursuant to a change in land use. Since its inception, this program has helped more than 1,000 home owners adversely impacted by park closures. However, the recent increase in the number of applications for assistance, combined with concerns relative to the adequacy of current assistance payments and the availability of alternative affordable housing, suggest that changes to the program may be warranted.

While stakeholders differ regarding specific recommendations for the relocation program, there is broad support for several key propositions. First, additional financial assistance is needed to help the most economically disadvantaged of the displaced mobile home owners. Similarly, local government efforts to assist impacted home owners in securing safe and affordable housing should be strengthened. Finally, state and local policies should support the preservation of viable mobile home parks and, where appropriate, encourage resident ownership opportunities.

### BACKGROUND

For many low- and moderate-income Floridians, manufactured or mobile homes represent an important source of safe and affordable housing. However, recent land use trends, combined with more severe hurricane

seasons, have placed significant pressure on some mobile home park owners to close their parks and redevelop or sell the land for other uses. Mobile home owners displaced by such closures often encounter difficulties in relocating their mobile homes and in finding suitable housing alternatives.

### Florida's Mobile Home Communities

*Definitions* - It is probably useful to clarify at the outset of this report certain terms used to describe building types and communities in Florida. "Manufactured homes" are constructed in a factory and meet the Federal Manufactured Home Construction and Safety Standards, commonly referred to as the "HUD Code." The HUD Code (originally adopted in 1976) is a federal building code adopted and administered by the U.S. Department of Housing and Urban Development (HUD).

The term "mobile home" is defined in s. 723.003, F.S., to mean a residential structure, transportable in one or more sections, which is 8 body feet or more in width, over 35 body feet in length with the hitch, built on an integral chassis, designed to be used as a dwelling when connected to the required utilities. Pursuant to ch. 320, F.S., this term is used to denote manufactured homes built prior to 1976 when the first HUD Code went into effect. As a practical matter, this term is often used interchangeably with "manufactured housing." For purposes of consistency, this report uses the term mobile home regardless of the date of construction.

The term "mobile home park" is defined in s. 723.003, F.S., to mean a use of land in which lots or spaces are offered for rent or lease for the placement of mobile homes and in which the primary use of the park is residential. The size of mobile home parks vary from a few units to hundreds of homes in the larger parks. Residents of mobile home parks containing 10 or more units are afforded certain protections under ch. 723, F.S. ("Mobile Home Park Lot Tenancies"). The

Department of Business and Professional Regulation (DBPR) administers the provisions of ch. 723, F.S.

There are two types of mobile home parks typically found in Florida: land lease communities and resident owned communities. In land lease parks, residents lease lots from the community owner. Lease rates vary based on the quality of the community, its location, amenities and services included in the rent. Resident owned communities are typically organized in a condominium or cooperative ownership entity.

*Number and Distribution of Mobile Home Parks* - The 2000 U.S. Census indicated there are approximately 850,000 mobile homes located in Florida. This figure represents almost 12 percent of the state's total number of housing units. Census data further indicates that 82 percent of mobile homes are owner occupied and 18 percent are renter occupied. Data provided by DBPR indicates that during 2006, there were 2,585 registered mobile home parks representing 320,006 lots. Research by Florida International University indicates that 57 percent of all mobile home parks and 68 percent of all mobile home park spaces are located in coastal counties.<sup>1</sup>

**Table 1 – Number of Registered Mobile Home Parks by County (2006)**

| County       | Parks | Lots   |
|--------------|-------|--------|
| Polk         | 230   | 32,068 |
| Pinellas     | 223   | 32,680 |
| Hillsborough | 181   | 18,782 |
| Volusia      | 119   | 17,579 |
| Broward      | 113   | 19,160 |
| Brevard      | 111   | 10,959 |
| Palm Beach   | 104   | 13,943 |
| Pasco        | 95    | 12,029 |
| Marion       | 91    | 8,267  |
| Lake         | 90    | 12,554 |

Source: Department of Business and Professional Regulation

*Age of Mobile Homes* – According to the Florida Manufactured Home Association (FMHA), approximately 28 percent of the 850,000 mobile homes in Florida were built prior to the implementation of the 1976 HUD Code. Less than a quarter (23 percent) of the state's mobile homes were built after the adoption of the more rigorous 1994 HUD Code. In its 2003 report on manufactured housing, the Affordable Housing Study Commission found that older mobile

home parks predominate in the coastal counties in central and south Florida.<sup>2</sup>

*Mobile Home Residents* – The 2000 U.S. Census reported that 10 percent of the state's population or almost 1.4 million Floridians live in a mobile home. Almost half of mobile home households have elderly members, and a significant number (36 percent) are composed exclusively of individuals 65 years of age or older. More than half (52 percent) of the state's mobile home residents live within a mobile home park. In terms of income, census data indicates that 36 percent of mobile home residents have household incomes of less than \$20,000 annually, and only 13 percent have incomes in excess of \$50,000. Approximately 61 percent of mobile home residents indicated that affordability was the major reason they elected to live in a mobile home.

### Land Use Trends and Mobile Home Communities

*Conversion of Mobile Home Parks* - The recent double-digit growth in Florida's property values has accelerated the conversion of mobile home parks to alternative land uses. In coastal areas of the state, mobile home parks are being transformed into more expensive residential developments, such as condominiums, townhouses, and apartments. Parks that are strategically located near transportation corridors are often targeted for conversion to retail and commercial uses.

Although no entity has undertaken a comprehensive review of mobile home park closures in Florida, several groups have attempted to document this concern. For example, FMHA recently examined park closures during an 18-month period from January 2005 to June 2006. This admittedly non-scientific study found that 58 parks closed during the period in question and approximately 7,584 mobile home lots were lost as a result of the closures.<sup>3</sup> The FMHA study also attempted to classify the cause of the closure as "land values," "functionally obsolete," or both. Of the 58 park closures identified in the study, 18 (31 percent) were attributed to land values, 24 (41 percent) were attributed to functional obsolescence, and 16 (28 percent) were attributed to both.

<sup>1</sup> "Hurricane Loss Reduction for Housing in Florida," International Hurricane Research Center at Florida International University, July 2004.

<sup>2</sup> *Annual Report on Manufactured Housing*, Florida Affordable Housing Study Commission, 2003.

<sup>3</sup> "Listing of Closing Communities," Florida Manufactured Housing Association, July 2006.

The Federation of Manufactured Home Owners of Florida (FMO) has also attempted to informally track the number of park closures associated with changes in land use. During the period 1994-2006, FMO reported that 263 parks (representing 24,613 lots) closed or were in the process of closing as a result of land use changes.<sup>4</sup> The vast majority of closures occurred during the 2001-2006 timeframe. The FMO data indicates that in Pinellas County alone, 53 parks representing 5,533 lots, closed or were in the process of closing.

*Relocation Obstacles* - Owners seeking to relocate their mobile homes following the closure of a park often find it difficult to move their homes to a new location. The reality is that mobile homes are designed to be permanently placed in one location and maintained there for the useful life of the unit. Moving a mobile home can be a complex process that requires unsealing seams, separating two or three sections of the unit, disconnecting plumbing and other utilities, removing attached structures (carports, porches, etc.), and lifting the home off its foundation and supports for transport and subsequent set-up. The costs associated with moving a mobile home are substantial and vary widely based on the complexity of the relocation. Many older mobile homes that have been in place for long periods cannot be safely moved due to structural integrity concerns. Finally, age and condition restrictions in effect at many parks prohibit the admission of certain mobile homes into those parks.

*Hurricane-Related Impacts* – The devastating 2004 and 2005 hurricane seasons had a number of direct and indirect consequences for mobile home park residents. The eight named hurricanes destroyed at least 5,502 units and damaged 215,696 units.<sup>5</sup> Interestingly, assessments of mobile home damage revealed that post-1994 HUD Code mobile homes withstood hurricane force winds as well as other severe weather conditions and remained intact with little or no damage.<sup>6</sup> An indirect impact of the hurricanes has been increasing reluctance by mobile home parks to accept mobile homes built prior to 1994. Another consequence has been dramatic increases in insurance rates. According to FMHA, Citizens Property

Insurance Corporation has become the largest insurer of mobile homes in Florida.

### Florida Law Governing Mobile Home Relocation

In 2001, the Legislature created the Mobile Home Relocation Program in response to concerns associated with the closure of mobile home parks. The program, which was implemented with the support of FMHA and FMO, was codified in ch. 723, F.S. The Legislature created this chapter (known as the “Mobile Home Act”) largely due to the unique relationship between a mobile home owner and a mobile home park owner. Section 723.004, F.S., provides in part that:

Once occupancy has commenced, unique factors can affect the bargaining position of the parties and can affect the operation of market forces. Because of those unique factors, there exists inherently real and substantial differences in the relationship which distinguish it from other landlord-tenant relationships. The Legislature recognizes that mobile home owners have basic property and other rights which must be protected. The Legislature further recognizes that the mobile home park owner has a legitimate business interest in the operation of the mobile home park as part of the housing market and has basic property and other rights which must be protected.

In order to evict mobile home owners due to a change in the use of the land on which the mobile home park is located, the park owner is required to give the tenants affected by the change at least 6 months’ notice of the projected change in land use in order to give tenants time to find other accommodations.<sup>7</sup> The notice of a change in land use must be in writing and posted on the premises and sent to the mobile home tenant or occupant.<sup>8</sup> The mobile home park owner does not have to disclose the proposed land use designation for the park.<sup>9</sup>

In addition to the notice required for a proposed change in the use of land, a park owner must provide notice of filing for a zoning change to each mobile home owner or the directors of the homeowners’ association, if one has been established, within 5 days after submitting the application to the zoning authority.<sup>10</sup> Local

<sup>4</sup> “Change of Land Use Closures,” Federation of Manufactured Home Owners of Florida, September 2006.

<sup>5</sup> *Hurricane Summary Data*, Florida Office of Insurance Regulation, August 2006.

<sup>6</sup> “Mobile Home Damage Assessments from 2004 Hurricanes,” Florida Department of Highway Safety and Motor Vehicles, November 2004.

<sup>7</sup> Section 723.061(1)(d), F.S. (2005).

<sup>8</sup> Section 723.061(5), F.S. (2005).

<sup>9</sup> See *Harris v. Martin Regency, Ltd.*, 576 So. 2d 1294, 1296 (Fla. 1991).

<sup>10</sup> Section 723.081, F.S. (2005).

governments and state agencies are prohibited from approving an application for rezoning or taking any other official action that results in the removal or relocation of homeowners from a mobile home park, unless it is first determined whether adequate mobile home parks or other suitable facilities exist for the displaced homeowners.<sup>11</sup> The term “or other suitable facilities” does not have a statutory definition.

*Florida Mobile Home Relocation Corporation* - The Florida Mobile Home Relocation Corporation (corporation), established in s. 723.0611, F.S., governs the collection and payment of relocation expenses for mobile home owners displaced by a change in land use for a mobile home park. Specifically, s. 723.0612, F.S., provides for relocation expenses to be paid from the corporation to the mobile home owner. The amount of the payment is the actual moving expenses of relocating the mobile home to a new location within a 50-mile radius of the vacated park, or \$3,000 for a single-section mobile home, or \$6,000 for a multi-section mobile home, whichever is less. Moving expenses include the cost of taking down, moving, and setting up the mobile home in a new location.<sup>12</sup>

The mobile home park owner is required to make payment to the corporation in the amount of \$2,750 per single-section mobile home and \$3,750 per multi-section mobile home for each application for moving expenses due to a change in land use.<sup>13</sup> These payments are due within 30 days after receipt of the invoice from the corporation. Payments received by the corporation are deposited in the Florida Mobile Home Relocation Trust Fund.<sup>14</sup> The mobile home park owner is not required to make the payments, nor is the mobile home owner entitled to compensation, if:

- The mobile home owner is moved to another space in the park or to another mobile park at the park owner’s expense;
- The mobile home owner notified the mobile home park owner, before the notice of a change in land use, that he or she was vacating the premises;
- A mobile home owner abandons the home as provided for in s. 723.0612(7), F.S.; or
- The mobile home owner had an eviction action filed against him or her prior to the mailing date of the change in the use of land.<sup>15</sup>

In addition to the above payments, the mobile home park owners’ pay a \$1 surcharge on the annual fee that is remitted to DBPR for each lot within a mobile home park that he or she owns.<sup>16</sup> The surcharge payments are deposited in the trust fund and may or may not be imposed depending on the balance in the trust fund. Mobile home owners also contribute to the trust fund through a \$1 surcharge on the decal fee that is remitted to the Department of Highway Safety and Motor Vehicles.

*Applications for Funding Moving Expenses* – In order to obtain payment for moving expenses, the home owner is required to submit an application for payment to the corporation which includes a copy of the notice of change in use and a contract with a moving company for relocation of the mobile home.<sup>17</sup> The corporation must approve payment within 45 days after receiving the information or the payment is deemed approved. Upon approval, the corporation will issue a voucher in the amount of the contract price for relocating the mobile home, which the moving contractor may redeem upon completion of the move and approval of the relocation by the mobile home owner.<sup>18</sup>

In lieu of collecting moving expenses from the corporation, a mobile home owner may elect to abandon the home and collect payment from the corporation in the amount of \$1,375 for a single section mobile home and \$2,750 for a multi-section mobile home.<sup>19</sup> Upon election of abandonment, the mobile home owner must deliver to the park owner an endorsed title with a valid release of all liens on the title to the mobile home.<sup>20</sup>

A mobile home owner whose application for funding that has been approved by the corporation is barred from filing a claim or cause of action under ch. 723, F.S., directly relating to or arising from the proposed change in land use of the mobile home park against the corporation, the park owner, or the park owner’s successors in interest.<sup>21</sup> Also, the corporation may not approve an application for funding if the applicant has either filed a claim or cause of action, is actively pursuing such claim or cause of action, or has a judgment against the corporation, the park owner, or

<sup>11</sup> Section 723.083, F.S. (2005).

<sup>12</sup> Section 723.0612(1), F.S. (2005).

<sup>13</sup> Section 723.06116(1), F.S. (2005).

<sup>14</sup> Section 723.06116(1), F.S. (2005).

<sup>15</sup> Section 723.06116(2), F.S. (2005).

<sup>16</sup> Section 723.007(1), F.S. (2005).

<sup>17</sup> Section 723.0612(3), F.S. (2005).

<sup>18</sup> Section 723.0612(3)-(4), F.S. (2005).

<sup>19</sup> Section 723.0612(7), F.S. (2005).

<sup>20</sup> Section 723.0612(7), F.S. (2005).

<sup>21</sup> Section 723.0612(9), F.S. (2005).

the park owner's successors in interest unless the claim or cause of action is dismissed with prejudice.<sup>22</sup>

*Right of First Refusal* – A mobile home park owner who offers his or her park for sale to the general public must notify the officers of the homeowners' association of the offer, asking prices, and the terms and conditions of sale.<sup>23</sup> The mobile homeowners' association must be given 45 days from the date the notice is mailed to meet the price and terms and conditions through the execution of a contract with the park owner. If the homeowners' association and the park owner fail to execute a contract within the 45-day timeframe, the park owner has no further obligation unless he or she agrees to accept a lower price.<sup>24</sup> However, if the park owner agrees to sell the park at a lower price than specified in the notice to the association, then the homeowners' association has an additional 10 days to execute a contract.<sup>25</sup>

If a mobile home park owner receives an unsolicited offer to purchase the park that he or she wishes to consider or make a counteroffer to, the park owner is required to notify the mobile homeowners' association of the offer and disclose the price and material terms and conditions upon which the park owner would consider selling the park.<sup>26</sup> Although the park owner must consider subsequent offers by the homeowners' association, he or she is free to execute a contract to sell the park to a party other than the association at any time.<sup>27</sup>

### Mobile Home Relocation Programs in Other States

More than a dozen states have established programs to assist home owners impacted by park closures. Like Florida, a number of states provide relocation assistance to displaced home owners and require that residents must be given purchase preference in a sale of a park. For example, Delaware's program requires property owners to provide personalized relocation plans for tenants and maintains a state trust fund (supported through a \$3 monthly assessment jointly paid by park and home owners) which provides for relocation expenses as well as certain property owner expenses. Other states have established trust funds to assist resident groups in the purchase of parks. Oregon

recently enacted legislation to provide a personal income tax credit to qualifying home owners who are displaced as a result of a park closure and a capital gains tax break to park owners who sell to selected groups.

### METHODOLOGY

Committee staff, in consultation with staff of the Committee on Regulated Industries, reviewed laws and administrative rules governing mobile home relocation in Florida and comparable programs in other states. Staff interviewed and surveyed interested parties including representatives of the Florida Manufactured Housing Association, the Federation of Manufactured Home Owners of Florida, the Alliance of Park Residents, 1000 Friends of Florida, and Florida Legal Services. In addition, staff interviewed representatives of the Florida Mobile Home Relocation Corporation, the Florida Department of Business and Professional Regulation, and the Florida Housing Finance Corporation. Finally, staff solicited input from the Florida Association of Counties and the Florida League of Cities.

### FINDINGS

Although reliable data on mobile home park closures is limited, DBPR records indicate a number of counties have experienced a loss of mobile home park lots since 2000. More readily apparent is the fact that applications for assistance through the program have increased dramatically since its inception in 2002. Despite this increase, most of the mobile home owners eligible for assistance under the program opt for private settlements with park owners. Current assistance payments through the relocation program do not fully fund actual relocation costs. An issue of continuing debate is the proper role of local governments in addressing the needs of displaced mobile home owners. Finally, changes to the relocation program will require a careful balancing of protections for mobile home owners with the property rights of land owners.

*Closures Appear Concentrated in Coastal Communities* – The fact that data on mobile home park closures is largely anecdotal makes it difficult to quantify this problem with any degree of certainty. However, by examining DBPR data on the number of parks/lots registered under ch. 723, F.S., we can identify recent trends. Registration data for the period 2000-2006 indicates the number of mobile home parks actually increased slightly (from 2,565 to 2,585), while the number of lots decreased from 322,334 to

<sup>22</sup> Section 723.0612(9), F.S. (2005).

<sup>23</sup> Section 723.071(1)(a), F.S. (2005).

<sup>24</sup> Section 723.071(1)(b), F.S. (2005).

<sup>25</sup> Section 723.071(1)(c), F.S. (2005).

<sup>26</sup> Section 723.071(2), F.S. (2005).

<sup>27</sup> Section 723.071(2), F.S. (2005).

320,006.<sup>28</sup> Statewide, 27 of Florida's 67 counties experienced a decrease in the number of parks and/or lots during this time period (these counties are highlighted in Table 2 below).

The registration data indicates that park/lot decreases have been concentrated in southwest Florida. For example, the number of mobile home park lots in Sarasota County decreased by 1,298 (a 12 percent decrease) during the 2000-2006 period. Significant decreases in mobile home park lots also occurred in Pinellas, Hillsborough, Lee, and Collier counties. As previously noted, older mobile home parks predominate in this area of the state. These counties have also experienced significant property value increases and changes in land use patterns that are consistent with the recent conversion trend.

**Table 2 – Change in the Number of Mobile Home Parks/Lots (2000-2006)**

| County    | 2000  |        | 2006  |        |
|-----------|-------|--------|-------|--------|
|           | Parks | Lots   | Parks | Lots   |
| Alachua   | 19    | 2,714  | 19    | 2,706  |
| Baker     | 6     | 81     | 6     | 81     |
| Bay       | 46    | 2,095  | 47    | 2,056  |
| Bradford  | 4     | 102    | 4     | 102    |
| Brevard   | 111   | 10,803 | 111   | 10,959 |
| Broward   | 112   | 19,310 | 113   | 19,160 |
| Calhoun   | 3     | 89     | 3     | 69     |
| Charlotte | 22    | 3,355  | 22    | 2,973  |
| Citrus    | 42    | 3,252  | 43    | 3,415  |
| Clay      | 4     | 62     | 4     | 62     |
| Collier   | 39    | 3,675  | 39    | 3,291  |
| Columbia  | 8     | 338    | 9     | 361    |
| Dade      | 68    | 12,101 | 69    | 12,157 |
| Desoto    | 10    | 1,241  | 10    | 1,241  |
| Dixie     | 2     | 61     | 2     | 64     |
| Duval     | 62    | 8,587  | 63    | 8,668  |
| Escambia  | 34    | 1,865  | 34    | 1,886  |
| Flagler   | 9     | 1,009  | 9     | 1,082  |
| Franklin  | 4     | 74     | 4     | 80     |
| Gadsden   | 10    | 222    | 10    | 226    |
| Glades    | 7     | 387    | 7     | 384    |
| Gulf      | 1     | 16     | 1     | 18     |
| Hamilton  | 3     | 49     | 3     | 49     |
| Hardee    | 4     | 139    | 4     | 138    |
| Hendry    | 16    | 1,096  | 16    | 1,096  |
| Hernando  | 19    | 2,544  | 19    | 2,601  |
| Highlands | 67    | 6,709  | 67    | 6,900  |

<sup>28</sup>Staff had difficulty reconciling DBPR registration data with information provided by FMHA, FMO, the corporation, and newspaper accounts. These entities questioned the accuracy of DBPR registration data and maintain that the number of mobile home parks decreased significantly during the period in question.

|              |       |         |       |         |
|--------------|-------|---------|-------|---------|
| Hillsborough | 179   | 19,256  | 181   | 18,782  |
| Holmes       | 1     | 15      | 1     | 20      |
| Indian River | 39    | 5,370   | 39    | 5,502   |
| Jackson      | 15    | 440     | 15    | 413     |
| Jefferson    | 1     | 75      | 1     | 75      |
| Lake         | 90    | 12,847  | 90    | 12,554  |
| Lee          | 87    | 17,330  | 88    | 16,880  |
| Leon         | 30    | 2,268   | 30    | 2,263   |
| Levy         | 7     | 115     | 7     | 111     |
| Madison      | 5     | 74      | 5     | 74      |
| Manatee      | 88    | 15,423  | 89    | 15,140  |
| Marion       | 90    | 7,968   | 91    | 8,267   |
| Martin       | 27    | 3,934   | 27    | 3,861   |
| Monroe       | 35    | 1,677   | 35    | 1,636   |
| Nassau       | 11    | 249     | 11    | 249     |
| Okaloosa     | 32    | 1,086   | 31    | 1,069   |
| Okeechobee   | 30    | 1,177   | 30    | 1,179   |
| Orange       | 65    | 12,652  | 66    | 12,629  |
| Osceola      | 39    | 4,734   | 40    | 4,739   |
| Palm Beach   | 103   | 13,944  | 104   | 13,943  |
| Pasco        | 94    | 12,074  | 95    | 12,029  |
| Pinellas     | 223   | 33,559  | 223   | 32,680  |
| Polk         | 227   | 31,353  | 230   | 32,068  |
| Putnam       | 17    | 658     | 17    | 546     |
| Santa Rosa   | 6     | 275     | 8     | 289     |
| Sarasota     | 61    | 10,699  | 61    | 9,401   |
| Seminole     | 16    | 2,744   | 16    | 2,894   |
| St. Johns    | 16    | 891     | 16    | 921     |
| St. Lucie    | 29    | 8,228   | 29    | 8,106   |
| Sumter       | 23    | 1,419   | 24    | 1,495   |
| Suwannee     | 6     | 331     | 6     | 296     |
| Taylor       | 6     | 209     | 6     | 209     |
| Union        | 2     | 38      | 2     | 38      |
| Volusia      | 119   | 16,991  | 119   | 17,579  |
| Wakulla      | 3     | 34      | 3     | 34      |
| Walton       | 9     | 181     | 10    | 200     |
| Washington   | 1     | 40      | 1     | 10      |
| Statewide    | 2,565 | 322,334 | 2,585 | 320,006 |

Source: Department of Business and Professional Regulation

#### ***Applications to the Corporation Have Increased Dramatically***

– As shown in Table 3, applications for assistance to the Mobile Home Relocation Corporation have increased significantly since the program's inception in 2002. From a first year total of 15 approved applications, the number of approved applications has increased to almost 400 for the first half of 2006 (applications through July 20, 2006). Since its creation, the corporation has approved 1,081 applications from 124 closed mobile home parks. The majority of these parks were concentrated in coastal counties in central and south Florida.<sup>29</sup>

<sup>29</sup> "Park Owner List," Florida Mobile Home Relocation Corporation, August 2006.

**Table 3 – Approved Applications to the Mobile Home Relocation Corporation (2002-2006)**

| Year  | Relocation | Abandonment | Total |
|-------|------------|-------------|-------|
| 2002  | 11         | 4           | 15    |
| 2003  | 99         | 67          | 166   |
| 2004  | 110        | 161         | 271   |
| 2005  | 71         | 166         | 237   |
| 2006* | 71         | 321         | 392   |

\*Approved applications through July 20, 2006.

Source: Florida Mobile Home Relocation Corporation

**Abandonment Applications Have Increased** – As the total number of applications has increased, the percentage of applications requesting assistance for abandonment of mobile homes has also increased. As Table 3 illustrates, the percentage of abandonment applications increased from 27 percent in 2002, to 82 percent for partial year 2006. This increase likely reflects program maturity, as well as the fact that closures are primarily impacting older parks. In such instances relocation is often not an option due to the age and condition of the mobile home.

**Assistance Payments Do Not Cover Actual Costs Incurred** – Current assistance payments do not fully cover the costs incurred by displaced mobile home owners. For fiscal year 2005-2006, the corporation reported the average payout per approved relocation was \$4,035, and the average payout per approved abandonment was \$1,619. Based on receipts provided by moving contractors, the corporation estimates that the maximum relocation payment of \$3,000 for single-section mobile homes covers between 75 and 100 percent of the actual relocation costs. Similarly, corporation representatives indicated that the maximum relocation payment of \$6,000 for multi-section homes covers between 50 and 75 percent of the actual relocation costs.

With respect to abandonments, the current payment schedule of \$1,375 for single-section homes and \$2,750 for multi-section mobile homes often provides only short-term relief for applicants. Displaced homeowners, who are often fixed-income retirees accustomed to lot rentals of \$200 to \$300 per month, encounter significant difficulty in finding affordable replacement housing.

**Most Displaced Home Owners Opt for Private Settlements** – Corporation representatives and other stakeholders reported that the majority of displaced mobile home owners eligible for assistance under the relocation program elect to enter into private

settlements with property owners. Mobile home owners are generally enticed to enter into private settlements by enhanced financial and relocation incentives. In return, residents generally must agree to expedited relocation or abandonment of their mobile home, as well as other terms and conditions. Corporation representatives also reported that a significant number of eligible mobile home owners don't apply for assistance because they were unaware of the existence of the program.

**Role of Local Governments In Mobile Home Relocation is Disputed** – The proper role of local governments in assisting displaced mobile home owners is a source of considerable debate. Representatives of FMHA, FMO, and mobile home owner advocacy groups maintain that local governments realize significant financial benefits from the redevelopment of parks and should be required to play a more prominent role in the relocation of displaced residents. Counties and cities counter this assertion by pointing to existing statutory requirements governing the rezoning of parks and the fact that many local governments have already created programs to address the needs of displaced mobile home residents.

The closure of mobile home parks and subsequent redevelopment of such properties generally increases tax revenues for local governments. A 2006 study sponsored by FMHA compared (using present value analysis) 10-year property tax revenue streams from mobile home parks to 10-year property tax revenue streams from the same mobile home parks after redevelopment.<sup>30</sup> The report found that the five mobile home communities studied increased tax revenues to local governments by more than \$53 million over ten years. A number of stakeholders have suggested that in light of the financial benefits derived from this redevelopment local governments should be sharing the financial responsibility of paying for the relocation of residents. For example, one recent proposal would dedicate a portion of the increased property tax revenue resulting from the redevelopment of parks for relocation assistance.

A related issue is s. 723.083, F.S., which prohibits governmental entities from approving the rezoning of a park, “without first determining that adequate mobile home parks or other suitable facilities exist for the relocation of mobile home owners.” As previously

<sup>30</sup> *Property Tax Revenue & Park Redevelopment*, Prepared by Kerr & Downs Research for the Florida Manufactured Housing Association, February 2006.

noted, the terms “adequate” and “suitable” are not defined in statute. In the absence of case law on this point, a 1986 Attorney General Opinion is instructive. In response to a request by the Pinellas County Commission seeking clarification of this issue, the Attorney General Opinion concluded that, “the zoning authority would necessarily have to consider the financial abilities of the mobile home owners ” in determining whether there were adequate and suitable replacement housing. The Attorney General also found that such housing could include other facilities such as apartments. Many stakeholders insist that local governments are either ignoring the requirements of s. 723.083, F.S., or failing to include the home owners’ financial needs as a key component of this determination.

In response, local governments maintain that they adhere to current statutory requirements and have established a number of local initiatives to address mobile home relocation. Representatives cited the Pinellas County Mobile Home Transition Program as an example of a local program that provides meaningful assistance to displaced mobile home owners. This program offers one-on-one counseling to develop an individualized replacement housing plan and provides up to two years of rental assistance when affordable housing cannot be located. Finally, local government representatives maintain that they have limited authority to deny rezoning requests when they are consistent with the local comprehensive plan and/or zoning ordinance.

***Program Changes Must Balance Home Owner Needs and Park Owners Rights*** – Central to the policy debate surrounding this program is the need to balance protections for mobile home owners with the rights of park owners. As this report attempts to document, park closures often impact a highly vulnerable segment of society, including the elderly, low-income individuals, and the disabled, who have limited affordable housing options. At the same time, mobile home park owners have a reasonable expectation to exercise their constitutionally protected property rights.

Florida courts have previously held that governmental regulations that restrict the sale of property may constitute an unconstitutional regulatory taking if the regulation does not substantially advance a legitimate state interest and creates an unfair burden on the property owner.<sup>31</sup> In *Aspen-Tarpon Springs v. Stuart*,

<sup>31</sup> See *Aspen-Tarpon Springs Ltd. Partnership v. Stuart*, 635 So. 2d 61, 68 (Fla. 1st DCA 1994).

the court held that s. 723.061(2), F.S., represented an unconstitutional regulatory taking of property without compensation.<sup>32</sup> This provision, since amended,<sup>33</sup> required a mobile home park owner who wished to change the land use of a park to either pay to have the tenants moved to another comparable park within 50 miles or purchase the mobile home from the tenants at a statutorily determined value. The court found that neither the “buy” or “relocation” options were economically feasible, and were, as a practical matter, confiscatory because it authorized a permanent physical occupation of the owner’s property.

## RECOMMENDATIONS

The Legislature should consider a range of policy options in addressing possible changes to the mobile home relocation program. Potential strategies include the following:

- Increase the current levels of financial assistance available to mobile home owners through the relocation program;
- Clarify the requirements of s. 723.083, F.S., to specify that local governments must address the unique financial needs of displaced mobile home owners;
- Expand local governments’ role in the relocation program, including financial assistance to mobile home owners and preference in local housing assistance programs;
- Authorize the imposition of late fees for park owners who fail to make timely contributions to the Mobile Home Relocation Corporation;
- Encourage resident ownership of mobile home parks through support of community land trusts and home owner cooperatives;
- Direct DBPR to work with interested parties to standardize the collection of statewide data on mobile home parks; and
- Enhance consumer education regarding the availability of mobile home relocation assistance.

<sup>32</sup> *Id.*

<sup>33</sup> Section 6, ch. 2001-227, L.O.F.