

September 20, 2022



AGENDA ITEM SUMMARY

City Council

STAFF

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SUBJECT

First Reading of Ordinance No. 098, 2022, Appropriating Prior Year Reserves in the General Fund to Provide Financial Support to the United Neighbors/Vecinos Unidos for Nueva Vida Mobile Home Park.

EXECUTIVE SUMMARY

The purpose of this item is to provide financial support to United Neighbors/Vecinos Unidos (UN/VU), a non-profit 501(c)(3) corporation that recently acquired ownership of the Parklane Mobile Home Park. On August 1, 2022, residents of the Parklane Mobile Home Park (Parklane MHP), with the help of a newly formed nonprofit (United Neighbors/Vecinos Unidos, UN/VU), outbid a commercial owner's offer and purchased their park. With this purchase, residents of Parklane have become one of only six mobile home parks in Colorado purchased by residents. UN/VU is seeking City funding toward several urgent and necessary infrastructure repairs to the park. This item was discussed at the September 1, 2022, Council Finance Committee.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

BACKGROUND / DISCUSSION

Parklane Mobile Home Park (Parklane MHP) is a mobile home community established in 1958 with 68 manufactured homes and a duplex located within the growth management area of the City. Approximately 200 adults and more than 100 children reside in the community. While Parklane MHP is outside City limits, the park is located in the East Mulberry enclave and will likely be annexed into the City at some point in the future. See location map.

When the owner of Parklane MHP decided to sell the park in 2021, the residents had an opportunity to organize to preserve the park as an affordable mobile home community, ensuring that these homes remain affordable to low-income households and are operated with a commitment to creating community that provides safe and secure housing options.

History of UN/VU and Purchase of the Mobile Home Park

Over six years ago, a trusted relationship was established between the residents of Parklane MHP, the

Genesis Project – a faith-based neighbor of the park – and the Matthews House, a local non-profit empowering youth and families to close the poverty cycle in Northern Colorado. In December of 2021, all three parties became aware that the park was for sale and an offer had been made by a private buyer. The park residents, the Genesis Project and the Mathews House knew they would need to organize quickly to take advantage of the opportunity to purchase afforded a group or association of homeowners or their assignees by Colorado Revised Statute 38-12-217. The residents organized and considered several possible structures before requesting the creation of UN/VU. Once formed, UN/VU was assigned the residents' rights to purchase the park. While this is not the same as a resident owned community structure, this was done to give the residents time to make decisions on what governance and leadership is best for their community long term. Resident ownership may be an option in the future, but for purposes of the purchase, UN/VU will own the park and the residents will govern the community.

Historically, Parklane, like most mobile home parks, was operated with divided ownership of assets. While homes could be rented or owned by the resident, the land beneath the home was rented from a private property owner. This opportunity to purchase provided by Colorado law allowed the residents to not only own their homes but to have control of their community. The residents have led the work of setting the goals, vision and voice of UN/VU and are preparing for the journey to discern what resident leadership, ownership, and governance will work best for the future. This may lead to residents owning the community in the future, and allowed UN/VU to attract funding and negotiate to purchase the park.

Financing to purchase the park for about \$6.8 million was obtained primarily from Impact Development Fund, Bohemian Foundation, and Larimer County. Larimer County provided \$1 million which will be forgiven at the rate of \$50,000 per year for 20 years provided the park remains affordable. Additional funding came from individuals and the United Way of Larimer County.

On August 1, 2022, Parklane MHP residents, with the help of the newly formed nonprofit UN/VU, outbid a commercial owner's offer and purchased their park. They became one of six mobile home parks in Colorado to accomplish buying their mobile home park. One of the first things they did was change the name of the park to Nueva Vida Mobile Home Park.

Summary timeline of organizing efforts:

- December 9th, 2021 - Notice of Intent to Sell Parklane MHP received by Parklane Residents
- December 15th, 2021 - UN/VU filed for non-profit status (Residents selected name of nonprofit)
- December 19th, 2021 - 51% of votes needed to move forward for UN/VU to represent Parklane Residents in counteroffer obtained
- February 22, 2022 - Notice to accept a Final Unconditional Offer of Parklane MHP received by Parklane Residents (90-day statutory time limit restarted)
- April 22nd, 2022 - UN/VU goes under contract for Parklane MHP
- August 1st, 2022 - UN/VU closes on Parklane MHP
- August 19th, 2022 - UN/VU has block party in Parklane to celebrate the purchase and residents revealed new voted upon name "Nueva Vida Mobile Home Park"
- September 2022-September 2023 - Resident led process with support from FLTI and CU Sustainable Community Development Legal Clinic community meetings to explore long term governance and ownership options

Request for Support

While purchase financing has been secured, UN/VU has requested financial assistance from the City for immediate infrastructure needs identified during the due diligence process for acquisition. Delayed maintenance has created safety issues for the residents. A priority needs assessment identified at least \$1M in immediate infrastructure upgrades required for the park including:

Identified Need	Estimate of Cost
Tree Maintenance/Removal	\$75,000
Water & Sewer Pipes	TBD
Asphalt/concrete replacement	\$550K – 850K
Curbs & concrete repairs	\$50,000

At the City Council meeting on April 5, 2022, under Other Business on the Agenda, several City Councilmembers asked staff to examine possible assistance options supporting the purchase of this park. See City Council Minutes attached. Based on the extensive needs identified which will need to be assessed to the residents if outside funding is not secured, this request is for \$125,000 to be provided to UN/VU as a grant to be used to partially offset the cost of any of the infrastructure needs noted above. This amounts to less than \$2,000 per household. While this amount will not cover the entire identified costs, it will show local support which often can be leveraged for additional funding.

Grant Management

The City will contract with UN/VU to establish specific terms for the grant and provide oversight for the use of these funds. Generally:

- The City’s Neighborhood Services Department will negotiate the contract and administer this grant.
- UN/VU has agreed to use approved City vendors for the infrastructure upgrades paid for with this grant, if possible, because they have been vetted and approved. UN/VU will work with City staff and the City Purchasing Department to select qualified vendors to ensure they are properly licensed and insured.
- The grant will be administered as reimbursement for work completed on a project-by-project basis until all funds have been expended.
- Funds must be used by December 31, 2023.

City Policy Alignment

In 2013, the City published the Affordable Housing Redevelopment Displacement Mitigation Strategy. This document acknowledged that mobile home parks are important sources of housing for lower income working families, seniors and people with disabilities living in Fort Collins.

The 2015-2019 Affordable Housing Strategic Plan’s objective to Preserve the Long-term Affordability and Physical Condition of Existing Stock of housing included action items to maintain the current available stock of affordable housing including mobile home parks. This policy was reinforced in the 2021 Housing Strategic Plan specifically in Strategy 24:

- Support community organizing efforts in manufactured home communities and increase access to resident rights information, housing resources, and housing programs.

The outcome of this strategy is to increase stability and housing options for manufactures housing residents (both renters and owners) and improve housing equity.

Lastly, supporting the conversion of a MHP from a private owner to resident governance aligns with the following 2022 Strategic Objectives:

- Neighborhood Livability and Social Health 1.1 – Increase housing supply and choice and address inequities in housing to ensure that everyone has healthy, stable housing they can afford.
- Neighborhood Livability and Social Health 1.4 – Advance equity for all with an emphasis on racial justice to remove systemic barriers so that persons of all identities, including race, ethnicity, religion, gender and gender identity, age, class, sexual identity, mental and physical abilities, and ability can fully participate in City services and experience equitable community outcomes.
- Neighborhood Livability and Social Health 1.5 – Enhance the quality of life and sense of belonging in neighborhoods by connecting neighbors to City services, building community, and fostering harmonious relationships.
- Neighborhood Livability and Social Health 1.8 – Preserve and enhance mobile home parks as a source of affordable housing and create a safe and equitable environment for residents.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

The Affordable Housing Board discussed the opportunity to purchase Parklane MHP at its April 7, 2022, meeting and supported the efforts of UN/VU to acquire the park. See Minutes and Memorandum. This was also discussed at the September 1, 2022 Council Finance Committee meeting. See Minutes.

CITY FINANCIAL IMPACTS

This Ordinance will appropriate \$125,000 of General Fund Reserves to be provided to UV/VU to be used to partially offset the cost of infrastructure upgrades. It can be used for tree maintenance or removal, repairing or replacing water and/or sewer pipes, replacement of asphalt or concrete, or repairing concrete or curbs.

PUBLIC OUTREACH

All meetings of the Affordable Housing Board, the Council Finance Committee, and the City Council where this was discussed were open to the public. No additional outreach was conducted on this request.

ATTACHMENTS

1. Ordinance for Consideration
2. Location Map
3. Council Minutes, April 5, 2022 (excerpt)
4. Affordable Housing Board Minutes, April 7, 2022 (excerpt)
5. Memorandum from the Affordable Housing Board to Council
6. Council Finance Committee Minutes, September 1, 2022 (excerpt)