

# Mobile homes on the move

*At least seven mobile home parks are up for closure in Orange County as park owners cash in on rising property values.*

By SARAH TULLY and JENNIFER MUIR THE ORANGE COUNTY REGISTER

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More mobile home park owners are viewing their parks as property that could be sold for triple of what it was worth a decade ago to make way for lucrative developments.

But residents see their communities as among the few affordable places left to live in Orange County, and they worry about where they will go if the parks close.

That situation is being played out across the state and the county as more owners are shutting down parks.

In Orange County, about 11 mobile home parks have closed in the past 10 years, and at least seven more are up for possible closures. Statewide, 311 parks have shut down during that same time, while just 49 new ones have opened. None are in Orange County.

The issue is coming to a head in Huntington Beach, where park owners have sued over a city law that could force them to pay residents millions of dollars when they move out of parks that are closing. Park owners say the law is unconstitutional and forces them to pay for land they already own.

Cities across the state are awaiting the outcome of the case to see if similar laws in their communities would stand up in court. A trial date is set to be scheduled next month.

In the meantime, the clash between residents and property owners is coming up in communities throughout Orange County.

Lily Rhoads and other residents are struggling to accept that they have to find another place to live when the Tropic Trailer Ports in Costa Mesa is converted into a housing development.

Rhoads recently took to the podium at Costa Mesa City Hall, hoping for answers about where she's going to live when the park closes next fall.

"It's very hard," said Rhoads. "I'm an elderly person. And I kind of thought I'd stay here until my last days."

In the audience, park owner Richard Dick listened to his 84-year-old tenant. He said he's sympathetic, but he feels the time is right to develop the land to match a nearby neighborhood of \$900,000 homes, which he built.

"It's a hard thing to do from a personal standpoint," Dick said at the meeting. "But if you look at it, the park is not really compatible with the neighborhood around it."

### **Legal rights**

State law requires that mobile home park owners who want to shut down the parks take reasonable steps to compensate residents for relocation costs.

However, the word "reasonable" leaves room for interpretation – one reason relocation benefits range dramatically. Cities also have the right to grant further protections, such as requiring park owners to pay higher relocation costs.

In Dana Point, Marina Mobile Home Estates residents were offered an average of \$15,000 to leave the park that closed last year to make space for new houses.

In Newport Beach, the city is proposing to relocate homes within 60 miles or pay up to \$24,000 plus other moving costs for residents who can't move their homes out of city-owned Marina Park. The city plans a park and marina on the property.

Residents of RV parks have fewer rights. Owners must give at least a 90-day notice of eviction, but no benefits are required. In Anaheim, residents at Travelers World RV Park were granted reduced rent and given six months notice to be out by the end of this month.

### **Huntington Beach lawsuit**

The pro-resident Huntington Beach law is facing a court challenge by owners of three parks and the Manufactured Housing Educational Trust, a trade association of mobile home park owners based in Laguna Hills.

The Surf City law requires park owners who want to shut down communities to relocate residents to a comparable park within a 20-mile radius. If they can't find a comparable park, the owners must pay residents the price they'd be able to fetch by selling their homes in place at the park.

The park owners sued the city in June, less than two years after the law was adopted to preserve low-cost housing. No owners have expressed plans to close their parks.

Park owners claim the city's law violates state law and imposes "an extreme and undue hardship," according to court documents.

Monday, December 18, 2006

**TROPICAL SUNSET:** Resident Lily Rhoads, 84, will have to find new housing once owners close Tropic Trailer Ports, a mobile home park in Costa Mesa. The park is being converted into a housing development.

"It's an issue of the right to use land that you own," said Vickie Talley, executive director of Manufactured Housing Educational Trust. "The ordinance, in effect, requires the owner to pay back the tenant the value of their land. And that's blatantly unconstitutional."

Now, cities across the state considering similar laws will be looking to the outcome of the Huntington Beach suit to see how their ordinances would stand up in court.

"It could have far-reaching effects," said Maurice Priest, legislative advocate for the Golden State Manufactured-Home Owners League. "It would become another example of what other cities could adopt and could be reasonably sure that it's a constitutional law because it's been tested and upheld in the courts."

### **Property vs. home values**

Mobile home parks replaced farmland decades ago on the outskirts of growing Orange County communities. Park owners have become more aware of the increasing value of their property as cities have become landlocked.

In the past 10 years, land prices have tripled for residential uses in Orange County. Now, park owners can take in between \$2 million and \$5 million an acre, depending on the location and previous agreements, said Craig Atkins, chairman of O'Donnell/Atkins land brokers, which does park deals.

Still, it's a risky proposition. When residents revolt, the owner can be stuck with hefty relocation payments and project delays. One buyer went bankrupt when residents fought to stay in a Laguna Beach park, where the Montage Resort and Spa was eventually built by a subsequent developer, Atkins said.

Once parks close, residents have fewer choices of places to move.

State law doesn't specify how near or far to relocate residents, so that provision also varies by city and by park owner.

For example, when Talley's consulting firm was hired to prepare a report on the closure of Tropic Trailer Ports in Costa Mesa, her firm surveyed park availability in five counties within a 125-mile radius of the mobile home park. The report stated that more than 400 spaces were available in a broad range of parks in Southern California.

The exact locations were not revealed. But experts say most spaces are in outlying areas, such as the Inland Empire, while few are in Orange County. Jesse Dez, an Orange County mobile home agent, scours parks for open spaces or homeowners willing to sell their homes so his company can tear them down and haul in new mobile homes.

"If I find an empty space, my company gives me a big bonus right now," Dez said.

While homes themselves are sometimes inexpensive, some owners pay a premium for a spot near the ocean or other prime space. When parks close, homeowners are left with structures that are worth less than their purchase prices. And even if mobile home park space is available, many parks won't take older homes.

In Orange County, the average used home price is between \$70,000 and \$130,000, but homes by the ocean can fetch hundreds of thousands of dollars more. A Malibu home recently sold for almost \$1 million, Dez said.

"They're buying a lifestyle, not an appreciating asset," Talley said. "They're making that conscious choice to purchase a piece of personal property, and the value of that property is because it has the right to stay in that location."

But many residents spend thousands of dollars upgrading their units – adding features such as car ports and front porches – because they believe their homes are permanent, Priest said.

### **Communities cope**

When park owners shut down their communities, many residents are left worried about what to do. And once the parks are closed, they say they miss the sense of community and proximity to their family, friends and longtime doctors.

Since 1982, about one-fourth of Anaheim parks have disappeared, reducing the number to 24 parks. Another four owners are considering selling their land.

Two back-to-back parks near Disneyland are next on the chopping block to clear space for a 1,500-home development. But the 260 or so residents have yet to receive notification because developer SunCal is waiting until its purchase is finalized and the city approves the plan.

"The worst thing about this whole thing is being in limbo like that," said Ellen Grzelka, 56, a convenience store manager who has owned her Plantation Mobile Estates home since 1988.

In three Orange County parks – in Anaheim, Orange and San Juan Capistrano – residents have banded together to attempt to buy the land under their homes from property owners. Those in Anaheim and Orange were rejected.

In Orange, residents at Val Verde Estates Mobile Home Park were notified in August that their park owner is considering closure. So they contacted the nonprofit group Resident Owned Parks, which helps residents, find low-cost financing to buy the land.

But park owner David Long said he and his family are looking into redeveloping the land instead.

Meanwhile, Jerry and Kay Weiland are left wondering whether the park will be shut down and if they'll be able to find a new place to live close to their grandkids.

"The hardest part of the whole thing is there is no affordable housing any place, so when we are forced to move, where are we going to go?" Kay Weiland said. "You try not to think about it because if you did, you wouldn't be able to sleep at night."

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## **How they work**

Most mobile home communities operate like condominium complexes. Residents buy their manufactured homes and lease the land under them from park owners. Those leases can include water, cable TV and community amenities such as clubhouses, pools, tennis courts and golf courses. In other cases, mobile home park residents can collectively own the land where their homes sit. Their rent pays off the loan on the land and funds park amenities.

## **Mobile home spaces**

**4,788:** Mobile home parks statewide

**367,141:** Mobile home spaces statewide

**208:** O.C. mobile home parks

**28,447:** O.C. mobile home spaces

**32:** Anaheim mobile home parks in 1982

**24:** Anaheim mobile home parks today

**3,690:** Anaheim mobile home spaces today