Community and Economic Development in North Carolina and Beyond Blog: Hidden in Plain Sight

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Mobile homes are a vital but generally unloved part of North Carolina’s affordable housing stock. They come to public attention in times of extreme weather, particularly high winds and floods. Their condition and location make them especially vulnerable to damage, and often their occupants – the elderly, people with disabilities, and the poor – are least able to cope with the consequences. This blog looks at some of the challenges and opportunities for improving conditions and expanding affordable and safe housing for low-income North Carolinians, particularly in our more rural counties.

Mobile homes represent 12.7 percent of North Carolina’s housing stock amounting to nearly 479,000 homes[1]. In some eastern counties, such as Tyrell, Bertie, and Gates, mobile homes account for over 30 percent of the housing stock. Mobile homes, however, are not all the same. Since 1976, the Federal government has regulated the design, construction, and installation of what are now called manufactured homes, and further regulations introduced in 1994 have mandated additional improvements. Nationwide, about two-thirds of mobile homes were installed after 1976, leaving about one-third that are over 40 years old and likely in poor condition. In North Carolina, this means that as many as 160,000 homes could be so classified.

Many obstacles limit action to tackle this problem.

- There are limited reliable data on the complex pattern of ownership and location. The occupier of a mobile home may own the structure but not the land on which it is installed; individual or small groups of homes may be located on private residential or farmland to house family members or workers; many are located in parks and communities, some of which may be professionally managed, others not. In North Carolina, two-thirds are owner-occupied and one-third renter-occupied.
- “Manufactured homes” are those built within a controlled environment in a manufacturing plant and transported to the installation site in one or two sections on a permanent chassis. How they are installed determines their legal and financial status. Manufactured homes if installed on a permanent foundation are real property and thus eligible
for mortgage financing. Those not installed on a permanent foundation (i.e. mobile) are personal property, and hard to finance for purchase or repairs, and subject to depreciation, much like a vehicle.

- In some jurisdictions, such as the City of Raleigh, a unified development ordinance establishes minimum requirements of the initial and continued occupancy of all buildings used for human habitation. However, most counties and municipalities have no standards or resources for establishing and enforcing codes for mobile homes, other than for their initial installation. Some jurisdictions are hostile to mobile homes, because of their condition, appearance, and impact on property values, and look to building and zoning codes for ways to restrict their continuance or growth.

The North Carolina Manufactured and Modular Homebuilders Association (NCMHA) points to major advances in the design and construction of manufactured homes, and the enormous potential for increasing and upgrading affordable housing in both urban and rural locations. However, NCMHA acknowledges that public opinion is not always on its side, reflecting widespread concern over the large numbers of old and poor quality mobile homes scattered across the state.

The School of Government’s Environmental Finance Center is currently exploring the potential for upgrading the energy efficiency and disaster resilience of selected mobile home parks in eastern North Carolina. The long-term aim is to increase the stock of safe, good quality, and affordable housing, and to provide local training and employment opportunities associated with homes and park infrastructure upgrades. The Center welcomes ideas and comments particularly from local governments, nonprofit agencies, and mobile home park operators. There are several pieces to this puzzle.

- Investment in new and renovated manufactured homes could be an effective response to the affordable housing crisis in North Carolina, particularly in counties still recovering from the effects of Hurricane Matthew.
- Achieving impact at scale will require substantial financial investment, strong partnership across public, private, and nonprofit agencies, and the trust and full engagement of mobile home occupants and owners.
- Combining energy efficiency and disaster resilience investments may produce better and longer-lasting outcomes.
- Weatherization programs can make substantial improvements to the energy efficiency of mobile homes leading to reduced utility bills and increased comfort and safety for occupants. The North Carolina Department of Environmental Quality directs weatherization funds to 27 community agencies that partner with local contractors to carry out improvements to homes, including mobile homes, occupied by low-income households. The total annual budget of about $20 million is, according to one estimate, only sufficient to respond to ten percent of the demand.
- Studies by the Insurance Institute for Business and Home Safety find that appropriate anchors for both mobile homes and ancillary structures, such as carports and porches, as well as certain roof upgrades can provide substantial resistance to very high winds at reasonable cost.
- Flooding is a common affliction for mobile homes, primarily because they tend to be located on low-lying, flood-prone land and/or land that has inadequate stormwater drainage. Elevating the homes can be one option although a more effective approach may be relocating mobile homes and parks to higher ground. However, the costs involved may be prohibitively high and local planning commissions may not be supportive.
- Utility companies are experimenting with financing models that can spur energy efficiency investments, such as on-bill financing, where customers pay for improvements as part of their monthly bills (that have been reduced as a result of the improvements), and Property Assessed Clean Energy (PACE) where property owners can finance
building upgrades repaid over many years through tax assessments. PACE is not yet available in North Carolina.

- Attempts by NCMHA to engage mobile home park operators have met with limited success. In 21 states, although not in North Carolina, there have been efforts to create resident-owned communities that can effectively manage and improve mobile home parks and provide financial and other services to their residents.