

**DOVER**

(302) 739-4263
(302) 739-6122 FAX
(302) 739-7428 TDD

18 THE GREEN

DOVER, DELAWARE
TOLL FREE: (888) 363-8808
WWW.DESTATEHOUSING.COM

WILMINGTON

(302) 577-5001
(302) 577-5021 FAX

AHPTF: Manufactured Housing Subcommittee Meeting 2

Tuesday, November 2024

10:30 a.m. to 12:00 p.m.

Senate Hearing Room, Legislative Hall, 411 Legislative Avenue, Dover DE 19901

Meeting Recording: <https://www.youtube.com/watch?v=GaQbpl1LTZ4>**Approved Meeting Minutes****I. Welcome & Roll Call Attendance**

The meeting was called to order at 10:30 am. A quorum was met, with 8 out of 8 appointed subcommittee members in attendance. Manufactured Housing Chair Jerome Heisler asked those in the room and online to introduce themselves. Mr. Heisler said he may ask this group for extra meetings if the group is amenable to such.

Subcommittee Members Present:

Jerome Heisler, Reybold Group, Chair
Matt Kraeuter, Great Outdoor Cottages
Erin Lee, Realtor for Keller Williams/Member of DEMOA
Steve Metraux, UD/Biden School
Fred Neil, Dover City Councilman
Mimi Rayl, UD Center for Community Service/Commissioner, Wilmington Housing Authority (virtual)
Gregory Sutton, Delaware Manufactured Home Relocation Authority
Robert Tunnell, Tunnell Companies

Task Force Members Present:

Sen. Russ Huxtable, Co-Chair, Delaware State Senate (6th Senate District)(virtual)
Amy Walls, Discover

Staff Present:

Emily Cunningham, DSHA
Alexander Modeas, DSHA
Brandon Williams, Senate Staff (virtual)

In-Person Attendees:

Sen. Kyra Hoffner, Delaware State Senate (14th Senate District)
Bryan Eng, DOJ (Manufactured Housing)



DOVER
(302) 739-4263
(302) 739-6122 FAX
(302) 739-7428 TDD

18 THE GREEN
DOVER, DELAWARE
TOLL FREE: (888) 363-8808
WWW.DESTATEHOUSING.COM

WILMINGTON
(302) 577-5001
(302) 577-5021 FAX

Virtual Attendees:

Bria Greenlee
Shyanne Miller

II. Approve 10.29 Meeting Minutes

Subcommittee members discussed amending the 10.29 meeting minutes as follows: marking Robert Tunnell as a subcommittee member; indicating that subcommittee member Erin Lee attended virtually; and listing the items in the “parking lot”. A motion to approve the minutes with those amendments was made, seconded, and approved by all members in attendance.

III. Subcommittee Member Discussion

i. Recap of Challenges to MH Ownership

10:35am - The first twenty-five minutes of the meeting was an open discussion between task force members. Topics of conversation included protections for manufactured homeowners, incentives to expand manufactured housing units, the possibility of incorporating a “land trust model”, how rents are determined, and the cost of utilities for homeowners.

ii. Policy Considerations

11:00am – Chair Heisler introduced ideas for possible legislation:

- Title A1.01. State Financial Assistance for Homeowner or Homeowners Association Acquisition of Land for Manufactured Housing Communities
 - Establish low-interest loan and/or grant program to assist manufactured home residents in purchasing a community for sale.

- Title A1.02. Financial Advisor for Homeowner or Homeowners Association Acquisition of Manufactured Housing Communities
 - State-provided financial advisor to assist manufactured homeowners or homeowners’ associations in purchasing a community for sale.

Chair Heisler referenced the discrepancies between manufactured homeowners and other homeowners and renters in terms of resources available for legal defense.
Mimi Rayl spoke to how financing is the second step in the process of the task force’s work: 1. Development – attractiveness. 2. Financing. 3. Public-Sector participation. 4. Implementation.

- Title A1.03. Chattel vs. Real Property
 - Ensure that manufactured homes are treated as real property.

Jerome Heisler remarked that once the homes are no longer treated as chattel, there is much wider field of financing opportunities for the homeowner. Manufactured housing would not close if the rent is below market. He referenced his company having 40% of their leases available for 3-5 years. We have provisions in the code that allow longer-term leases. Developing manufactured



DOVER
(302) 739-4263
(302) 739-6122 FAX
(302) 739-7428 TDD

18 THE GREEN
DOVER, DELAWARE
TOLL FREE: (888) 363-8808
WWW.DESTATEHOUSING.COM

WILMINGTON
(302) 577-5001
(302) 577-5021 FAX

housing is also an issue – there are a lack of financial incentives. The more burden manufactured developers receive the more challenging it is to preserve and expand supply.

- Title A1.04. Zoning Regulations for Manufactured Home Communities.
 - Permit manufactured housing on permanent foundations in any residential zoning district, and create an oversight process to ensure architectural compatibility with surrounding community.

Jerome Heisler indicated it should be the county that makes an architectural determination (within reason) and not an HOA. Referred to a Master's Thesis that speaks on this.

Fred Neil asked the question of how does a single-wide lot affect the value of the home around it? He reiterated that that's the political challenge that this policy could face. Surrounding neighborhoods may discourage it.

- Title. A1.05. Zoning Regulations for Manufactured Home Communities.
 - Permit manufactured housing communities in any residential zoning district as long as there is public water and sewer, or a community septic system regulated by the State of Delaware.

Mimi Rayl said this bill moves us in the right direction of treating manufactured housing the same as other types of housing. Steve Metraux this could be politically challenging but should not deter us from pursuing this.

- Title. A1.06. Traffic Impact Studies and Manufactured Home Communities.
 - Exempt proposed manufactured home communities from traffic impact studies and any level or service requirements and/or contributions for Traffic Improvement Districts (TIDs); to qualify for exemption, the communities would need to have at least a 20% set-aside of dwellings that are priced to be affordable for households at or below 40% median income.

Mimi – serious issue of infrastructure costs. New developers incur costs from past developers.

Matthew – Level 4 areas are cheaper which is causing sprawl. Regulatory & Permitting Subcommittee should address this.

- Title A1.07 Establishment of a Voucher Program for Manufactured Housing for HUD and non-HUD housing.

- Create an affordable housing trust fund that would have two components: (1) provide vouchers to individuals and families with less than 40% of median income and (2) provide grants to encourage the building of more affordable housing.

iii. **Rent Control Article: What are the Long-run Trade-offs of Rent-Control Policies?**

- 11:45am – Fred Neil indicated that the utilization of manufactured housing for short-term rental properties is a growing concern in Sussex County. He also referenced the balance between keeping rents down and financial incentives for developers. Rent control doesn't work because higher-income individuals are taking advantage – it needs to be tailored for lower-income folks



DOVER

(302) 739-4263
(302) 739-6122 FAX
(302) 739-7428 TDD

18 THE GREEN

DOVER, DELAWARE
TOLL FREE: (888) 363-8808
WWW.DSTATEHOUSING.COM

WILMINGTON

(302) 577-5001
(302) 577-5021 FAX

who need housing and affordable rents. Promotes “utility model.” Supports something like a non-profit land trust kind of operation. Erin Lee mentioned lack of low-to-moderate income residents occupying manufactured housing is a concern in Sussex County, as short-term rental property stock is increasing.

- Jerome Heisler advocated to continue exploring possibility of leased-land communities – our group needs to figure out details.

IV. Public Comment

No one signed up to provide in-person or virtual public comment.

VI. Adjournment

The next Manufactured Housing Subcommittee meeting is scheduled for 12/18/2024.

The meeting was adjourned at 12:05 pm.