

Durango mobile home park to receive \$500,000 in rental assistance from city

River View residents try to stabilize rent ahead of park purchase

By Shannon Mullane

Tuesday, Jun. 1, 2021 10:23 Updated Wednesday, Jun. 2, 2021 4:41



River View mobile home park residents are set to get financial assistance from the city of Durango to help stabilize their rent as they take ownership of the park. (Durango Herald file)

Durango City Council agreed Tuesday to make a \$500,000 investment in maintaining affordable rent at a north Durango mobile home park.

Residents at River View are under contract to purchase the 14.5-acre, riverfront park on Animas View Drive, following a resident-ownership model operating nationwide and growing around Colorado.

But ownership is expected to come with one additional rent increase before stabilizing. After years of rent hikes under corporate owners, this increase could push some residents out of the

park. The city's financial support will help slow rent increases once residents take over the mortgage.

"I think this is a historic opportunity to create a real win-win for the community in the Animas View mobile home park and for the city," said Mayor Pro Tem Barbara Noseworthy.

Residents in mobile homes own or rent their homes and pay rent for the land underneath, called lot rent.

The average lot rent for River View increased from \$350 per month in 2015, when the park transitioned from family to corporate ownership, to about \$730 in March, according to the Animas View Mobile Home Park Co-op.

There are 116 households in River View. About 80% earn 80% or less of the area median income, meaning the household earns a low or very-low income.

Residents expect another increase in lot rent, to \$850 each month, once they officially take over the mortgage in June. At that level, some residents said they would no longer be able to afford to live in River View, one of the more affordable locations in Durango.

In May, they asked the city and HomesFund, a mortgage assistance nonprofit, for financial assistance to keep rent affordable, hoping to secure it before the contract closes June 23.

HomesFund already committed to providing a \$500,000, low-interest mortgage loan.

City Council was initially undecided. Councilors wanted to support the residents and to further the city's efforts to increase affordable housing options – but a loan seemed too risky, councilors said during a May meeting.

Instead of a loan, the councilors instructed staff members to finalize a mission-driven grant through HomesFund in a 4-1 decision. Councilor Olivier Bosmans voted against the motion.

The grant would be funded through a fee-in-lieu program that is part of the city's Fair Share ordinance, a local affordable housing law passed in 2009. Developers that chose not to build a set number of affordable housing units pay fees instead.

Durango already directs fee-in-lieu money to HomesFund for mortgage assistance.

"It isn't about a loan. It would be about the city passing dollars through to HomesFund maybe a little sooner than we would have otherwise," said Kevin Hall, assistant city manager.

The grant would function like community support funding already given to organizations, such as United Way, he said.

“We have the ability and we feel it’s appropriate to use the fees for this purpose,” Hall said.

Bosmans opposed the idea out of concern that the savings would be less than advertised and the city could lose money on a loan.

“I’m quite disappointed in what I consider misleading or incomplete or incorrect information provided by the HomesFund,” Bosmans said.

Noseworthy said the idea would further the city’s affordable housing goals while assisting 116 families. Councilor Jessika Buell and Mayor Kim Baxter expressed support. Baxter clarified the grant wouldn’t reduce current rents but it would slow any future increase.

“Let’s keep moving forward on these ideas,” said Councilor Melissa Youssef. “If this is our opportunity to promote affordable housing, then let’s continue this creative thought process.”