

Four Months, Three Birds, One Stone

Advantage Homes Remedies Utility Deterioration, Blight and Cash Flow Issues with Speedy Renewal

As disturbing as it can be to see syringes and litter strewn about, it can often be what's unseen posing the biggest dangers to residents. This was the case at the Buena Vista Mobile Home Park in Nipomo, California. When family members inherited the forty-six space property, they were a little surprised. Not only had the lessee who operated the park for decades allowed it to fall into a state of blight, but deeper inspections left them stunned.

"When the sheriff's department referred to one of the streets as 'Heroin Alley' I got pretty nervous," said Dolly Lauer, one of the heirs. "And then when we had inspectors out and found out how many things were unsafe, we knew we needed help. We had no idea the previous management had let things go like that. This property has been in our family a long time. We wanted to keep it and make it a nice place to live, but we didn't know where to start." The most immediate concern was the dangerous condition of the utility delivery system, followed by blight and cash flow

Discovering that a site's utility infrastructure can't safely serve its residents is any community owner's nightmare. How do you replace broken clay sewer lines, rotting electrical service, corroded gas lines, and aging fresh water lines in an occupied park? How do you provide new services to older coaches that no longer meet code requirements and pose dangers to their occupants and neighbors? How do you help your residents transition comfortably?

In addition to liability concerns, there were immediate financial issues. The property had many vacancies, yet couldn't become fully occupied with existing conditions. There were also no separate utility meters. A combination of poorly insulated 1960s era coaches and residents enjoying unmetered utilities led to outrageous utility bills for the management.

The family members, under their group Mallory and Silva, LLC, wanted to address safety and liability issues immediately. After speaking with state inspectors and local building officials, they were overwhelmed by the prospect of bringing the property up to code, dealing with resident CC&R violations, and finding a way to pay for it all.

Enter Central Coast Advantage Homes. The Lauer family was referred to Thomas DaRosa for his local experience. As the Central California Coast Regional Manager of one of the nation's largest resellers of manufactured homes, DaRosa understood the challenge. "Frankly, I was a little hesitant to get involved at first. But I couldn't leave this family in a lurch. They were frustrated and I knew what they were facing. I decided to accept the challenge and make it happen for them."

DaRosa crafted a plan. "There was only one way to go. We needed to pull out the old coaches to upgrade the utilities and common areas, then bring in new homes. It simply did not make sense to do anything less. We had amazing location value. Stick built homes in this county average a half-million dollars. We could help people own homes for less than a fourth of that. We had a chance to revive an affordable community and breathe new life into the neighborhood." The big challenge was to make it happen in a tight time frame. The property couldn't sit idle for long.

“I had a meeting with the owners in April of 2006,” said DaRosa. “Advantage Homes put our money where our mouth is. We offered to take the financial responsibility for the redevelopment up front, allowing the owners to move ahead. In June, the survey and design were submitted to the Department of Housing and Community Development. I had the permits within two weeks. I wasn’t the only one anxious to see this eyesore transformed! We broke ground July 10th, hauling out the first dilapidated coach. On November 10th we moved in our first new resident. That was four months of well-coordinated construction and good luck!”

The process was complex but manageable. First, they had to negotiate to buy out the remainder of the park operator’s lease. Next, they had to relocate residents. Most were renting their homes, so they received notice. While a few were upset, most understood the owners’ need to minimize risks. The remaining residents owned their homes. Advantage Homes put together a buy-out offer. Half accepted the offer. The other half wanted to remain in the park. They received a package that included a certificate of discount toward a new home in the revamped community. The old units were removed.

“The day they hauled the first one out, I called a neighboring property owner who said he had been disgruntled about the conditions for years. He walked across the street and shook every single hand he could find,” said owner Dolly Lauer. “He couldn’t have been happier!”

Advantage Homes moved on to the next phase, the utility upgrades. Twenty of the company’s twenty-five member in-house construction team worked ten hour days, completing demolition, excavation and utility installations. The process of replacing gas, electric, fresh water and sewage lines took careful coordination. It brought with it a few financial benefits, too. Due to the extent of the work performed, the project qualified for New Service credits from the utility companies.

Another challenge was the property’s configuration. Lots were only twenty-five feet wide. DaRosa wanted to allow graceful feeling streets, yet offer doublewide homes to provide the best financing opportunities. The Advantage Homes team worked with their manufacturers on home configurations and design. They adjusted interior layouts, windows, and doors to work with their site. Advantage opted to set each home back on the lot to allow for front parking and more distance from the street.

The units arrived as planned and installation began. The first sales soon followed. The sale of new homes passes along the costs of the renewal to the new homeowners. The upgrades help the management avoid costly emergency repairs, reduce liability and restore property value. Only four months after the heavy equipment arrived, the utilities, blight and cash flow were back on steady ground.

Today, Dolly Lauer of Mallory & Silva, LLC has only raves about the whole experience. “Advantage Homes took a big burden off of us. We knew it was going to be a scary, complicated, expensive job. We just weren’t ready to go down that road. Partnering with Advantage Homes was the only way we could’ve done this. Dealing with Thomas DaRosa was so smooth. He was the answer we needed.”

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Info at a glance

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