

# TRAPPED: HAZARDS OF AGING MOBILE HOMES

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Iowa City, Ia. - Roughly 600 people live in the Regency of Iowa mobile home park off Old U.S. Highway 218, a community the size of a small town, yet hidden to most people driving by since the park opened in 1971.

The residents - many unemployed, disabled, elderly and immigrant - pay the highest mobile home lot rents in Johnson County to live in conditions that county officials call "deplorable."

More than half of the homes are relics of corrugated siding and plyboard, so hazardous that Congress banned making that type of trailer more than 30 years ago.

An investigation by The Des Moines Register documented serious health and safety problems at the Iowa City trailer park and another in Huxley, owned until this spring by the same company, Regency of Iowa. Regency is a subsidiary of the Churchill Group Inc. of Carbondale, Colo.

Churchill Group managers in Iowa City have "sold" families decrepit mobile homes for years, even though many of the titles remain in previous owners' names, according to court records and interviews with county officials and residents.

Mark Patton, executive director of Iowa Valley Habitat for Humanity and author of a report on older mobile homes in Johnson County, said poor oversight by the park's absentee owner and lack of inspections for health and safety have turned the 180-lot park into "the Appalachia of our area."

Frustrations with conditions at the park have reached such a boiling point that the Johnson County Board of Supervisors plans a special meeting July 28 to discuss a new ordinance that would require annual rental inspections in mobile home parks. A task force of area officials is discussing structural problems with homes at the park, social service needs of families and back taxes owed on the majority of homes.

Some officials believe it's time to set aside taxpayer money to buy the old trailers and move families to safer housing.

To drive through the park - past the rusted playground equipment and the dirty swimming pool marked with "No Trespassing" signs - is to understand why Patton's report describes it as the worst in Johnson County.

Raw sewage mixes with rainwater in ravines surrounding the park. Mold creeps up the faded corrugated siding of several abandoned mobile homes, which have ripped-out doors and broken windows and smell of urine. Strewn inside some abandoned homes are beer cans, blankets, old computers and broken TVs.

Regency of Iowa and the Churchill Group have been sued by at least four cities in Iowa - Iowa City, Council Bluffs, Huxley and Sioux City, court records show. Local officials said they grew tired of years-long problems with unsafe water, exposed sewage and hundreds of nuisance violations.

In Council Bluffs, officials said long-standing water and sewage problems at the Regency park there did not improve until the Churchill Group decided to sell.

Don Dierks, director of the city's public health department, said sewage from trailers at the park drained into a pump station that would break down. Raw sewage backed up to the ground beneath the homes, which were surrounded by junk.

The company fixed the problem in the summer of 2007, then sold the park to a local operator in July 2008, he said.

Officials in other states have had similar problems at parks run by George Gradow, Churchill's and Regency's top official and a convicted felon.

Many mobile home parks in Iowa, like the one near Iowa City, lie outside city limits, where no housing codes apply and no inspections are required.

"For the most part, we don't have a lot of problems at most mobile home parks in Johnson County," County Supervisor Rod Sullivan said. "But we don't have that in Regency. People are being scammed."

Johnson County has 3,000 mobile homes. Some homes in other parks are just as old as Regency's. What makes the Regency of Iowa community stand out are the conditions there and the high cost to residents, Johnson County officials say.

Lot rent at the park is \$390 a month. Lot rent at Saddlebrook, the county's newest manufactured home community, which is equipped with walking trails and exercise facilities, runs \$328 without cable television.

## Park owner owns mansions, also owes back taxes in Iowa

Gradow, president of both the Churchill Group and Regency of Iowa, bought the Johnson County park for \$1 million in 1986, according to county records.

In 2005, he was convicted in federal court of obstructing a federal audit of his mobile-home development company by destroying and altering tax documents.

He was released from prison in 2007. He and his wife, former Playboy playmate Barbi Benton, own a home valued at \$17.5 million in Bel Air, Calif., and another in Aspen, Colo., valued at \$25 million.

Gradow's companies owe \$81,000 in back taxes on property at the park outside Iowa City, about half of the \$161,000 total owed by mobile home owners at the park, the Register's investigation found.

The company's back taxes stem from homes it has razed without paying past-due taxes or getting the clearances required by law, according to Johnson County Treasurer Tom Kriz's office.

Iowa law requires park owners to report monthly on which mobile homes come and go from their communities and annually on the statuses of all homes in the park. Failure to do so is a simple misdemeanor.

Kriz said Regency of Iowa's managers in Iowa City have rarely done the reporting. "The vast majority of park owners in the county report that on a regular basis," he said.

The Churchill Group also has not been registered to do business in Iowa since 1994, according to the

secretary of state's office. Inactive companies that do business in Iowa can be subject to a \$1,000 civil fine and are supposed to be barred from bringing court actions against people, according to the attorney general's office.

Churchill has filed dozens of court actions against tenants since 1994, court records show.

Several messages left at Regency and the Churchill corporate headquarters in Colorado were not returned.

Mike Kennedy, an Iowa City lawyer who has done business for Regency and Churchill, said he relayed a request to interview company officials. His request went unreturned.

"Apparently, they are choosing not to respond," Kennedy said.

Gradow, reached in June at his Bel Air home, declined to be interviewed about his business practices and the condition of his mobile home parks in Iowa and other states.

"You need to call the office," he said. "I'm in the middle of an important meeting. Thanks."

Alma Parada, who was hired a month ago as the latest manager of the Iowa City park, said she was unaware of any back taxes owed on mobile homes that previous managers sold or gave to residents.

She said buyers who agree to take over abandoned trailers and make repairs receive a break on lot rent for the first three months.

Those too poor to pay lot rent in a given month are sometimes allowed to do labor at the park in lieu of payment, she said.

Parada said that Churchill was trying to fix well problems and that residents are told when they move in that the water is "bad."

"It's their own decision whether to drink it," she said.

Parada, a nine-year resident of the park, said she was trained as a temporary manager by a Churchill employee who is now living in Huxley. That manager is trying to move mobile homes from the company's former park there to Iowa City, she said.

When asked whether she believed residents deserved better conditions for their \$390 monthly, Parada said residents don't complain. Other parks, she said, "don't offer you the ability to work for your rent."

## Residents' plight worsened by recession, credit crisis

The national credit squeeze and recession have swelled the ranks of Americans seeking low-cost housing and dried up financing for those seeking to buy mobile homes, housing advocates said.

The estimated number of mobile homes in Iowa dropped from 64,719 in 2000 to 55,378 in 2008, the U.S. census says.

With financing unavailable, especially to people with lower credit scores, some people risked what little they had to buy dilapidated mobile homes, believing owning even an old mobile home would be better than

renting.

"Because we have an ownership culture, people are misled into believing it's better," Sullivan, the county supervisor, said. "But that's not always true."

Residents at the Iowa City park have cobbled together a variety of ways to pay for roofs over their heads. Some are renting or buying homes on contract from owners other than Regency. Others have struck deals with Regency managers to take over abandoned homes.

Brenda Zwazwa, who moved to the park more than a year ago, said a Churchill manager gave her and her husband their trailer, built in the early 1970s.

"It was abandoned, so they gave it to us," the pregnant mother of three said.

Zwazwa said the family got the deal because members agreed to pay lot rent and fix up the trailer. Her husband, Erasmo Zwazwa, has since fixed the furnace and the worn flooring.

When the family moved in, park officials told her the years-long well water problems were fixed. But she does not allow her children - ages 4, 3 and 1 - to drink the water because it is still reddish-brown color, has sediment and "smells like Clorox."

## Lack of affordable options leaves family feeling stuck

Leslie Matthes' family drank the water at the trailer park for years before she learned it contained unsafe levels of lead and cancer-causing compounds.

Three of Matthes' eight children were born while she lived at the park - boys ages 6, 5 and 4 - and all three were born with high levels of lead in their blood, medical records show. All were later diagnosed with developmental disabilities.

Iowa Department of Natural Resources employees said her children's health problems cannot be tied definitively to the tainted water.

The contaminated water drove the family out of the park to an Iowa City apartment. Yet the high rent there, \$1,200, sent the family back in February.

Today, rain falls through their home's ceiling, mold infests the bathroom and Matthes' 2-year-old recently fell through the floor.

"These are homes of last resort," said Kriz, the county treasurer.

Families feel trapped, especially those who bought older mobile homes. Owners cannot move the homes because they're too decrepit to survive a trip, or other parks won't accept older homes.

Moving a mobile home can cost thousands of dollars. Many tenants wind up abandoning the homes after getting kicked out or becoming fed up with repair costs or rising lot rents.

## Legal scales tilted against mobile home tenants

Iowa law grants mobile home tenants and owners little clout.

Under Iowa's 1978 Mobile Home Parks Residential Landlord and Tenant Act, park owners can terminate leases for any reason after they expire.

Many residents at the Regency park near Iowa City say their leases are month to month.

Residents who are evicted have three days following the termination of a rental agreement to arrange to move or sell their mobile homes - the shortest time allowed by any of nine states with a mobile home statute, according to the National Conference of State Legislatures.

"Management can continue to raise rents without fear of driving away tenants," Patton says.

The lot rents at the Iowa City park, which cover water delivery and trash removal as well as rental space, have climbed from \$170 in 1990 to \$390 today, residents said.

Jack Jessup, a resident of the Iowa City park since 1996, said he tried to organize homeowners into an association in 2007 after researching back taxes on trailers, rising lot rents, unsafe drinking water and sewage overflows.

An operations manager responded with a letter threatening to evict him, he said. In January 2008, Jessup and his wife, Lana Hinman, received a notice evicting them from the park. The letter gave no reason for the termination.

Jessup said he was forced to spend more than \$17,000 to relocate his home to Oxford.

"I didn't try to sue them," he said. "I didn't push it that far.

"My attorney wanted money, money, money, and I had to spend the money on getting moved," he said.

Supervisor 'would love' investigation of conditions

Sullivan, the Johnson County supervisor, said he would welcome a criminal investigation by the sheriff of sales practices at the park. "I would love to see it happen," he said.

Yet despite concerns by the county auditor, housing task force members, other supervisors and Patton, local authorities have never examined whether the company's practices violate criminal laws.

"I don't think we've ever opened up any investigation for that," Johnson County Sheriff Lonnie Pulkrabek said. "I don't know if we've ever been asked."

## Similar problems, different states

In recent years, officials in Colorado and Oregon have documented serious hazards at Churchill Group trailer parks and sued to make the company take action:

In Canby, Ore., in 2004, the State's Department of Environmental Quality ordered the Churchill Group to replace a corroded and failing sewage plant after years of prodding and a \$32,921 fine.

Officials were concerned that tainted wastewater from the park would pollute groundwater or the Willamette River. The state noted serious sewage violations going back to at least 1990.

Regency of Oregon, owned by Churchill, told the state it would construct a new wastewater system for the 117-space park, according to documents from the state agency. In 2008, the state fined Regency again because the system still had not been completed.

Lyle Christensen of the Oregon DEQ said over time a three-day holding pond intended for use when the treatment system failed to work properly became a holding pond for solid waste.

A new facility was finally put into service in April 2009.

In Kentucky last year, Louisville city officials threatened legal action after the Regency park there evicted tenants and then failed to clean up a mess that one city official said looked like "a war zone."

Churchill Group sent eviction letters in late June, giving residents at the 110-lot park 30 days to evacuate before utilities were cut off. Scavengers had vandalized abandoned homes, cut off aluminum siding and taken water heaters and other metals that could be sold for scrap, according to a December 2009 article in the Louisville Courier.

City inspectors had cited Churchill previously for numerous sanitation and brush problems. After court action was threatened, the company hired a private contractor for the cleanup.