



**CITY OF SAN JOSÉ
HOUSING AND COMMUNITY DEVELOPMENT
COMMISSION**

January 14, 2016 AT 5:45 PM

SAN JOSÉ CITY HALL

200 E. SANTA CLARA ST.

LOCATION: CITY HALL COUNCIL CHAMBERS
SAN JOSÉ, CA 95113



Martha O'Connell, Chairperson

Commissioners

Michael Fitzgerald
Bob Gill
Mike Graves
Victoria Johnson

Davlyn Jones
Melissa Medina
Steven Neff

Gary Prideaux
Alex Shoor
Lee Thompson

Members of the public who wish to make comments on any item on the Agenda, or any other item related to the Commission's purview, may be given two (2) minutes. Please note that: (1) the Commission will only be able to discuss comments to items on the Agenda; and (2) the time schedule shown below is approximate and intended only to notify the Commission of the approximate amount of time staff expects each item might take, and items may be heard before or after the times shown.

<u>TIME*</u>	<u>AGENDA ITEM</u>
5:45	(a) Call to Order/Orders of the Day
5:50	(b) Introductions
5:55	(c) Approval of Minutes for the November 12, 2015 Regular Meeting ACTION: Recommend approval of the November 12, 2015 minutes
6:00	(d) Chair's Report (M. O'Connell, Chair)
6:05	(e) Nomination and Election of Vice Chair (M. O'Connell, Chair)
6:20	(f) Mobilehome Park Conversion-Council Policy and General Plan, Zoning Ordinance Amendments (A. Marcus, Housing Department) ACTION: Provide recommendation to the City Council on items 4.c.1.2 & 6.a.1 of the January 13, 2016 Planning Commission meeting regarding proposed:

1. General Plan Text Amendment.
2. Amendments to Title 20 of the San José Municipal Code (Zoning Code).
3. City Council Policy on the Conversion of Mobilehome Parks to Other Uses.

- 6:55 (g) **Mobilehome “Opt-in/Stay In Business” Concept (A. Marcus, Housing Department)**
ACTION: Discuss and make recommendation to the City Council on the Opt-in/Stay In Business concept for mobilehome parks.
- 7:30 (h) **Director’s Report (D. Bopf, Housing Department)**
1. Crime Free Multi-Housing Program Update
2. Status on Modifications to the Rent Ordinance
3. Recent City Council Actions Pertaining to Housing and Homeless
a. <http://www.sanjoseca.gov/index.aspx?NID=4865>
- 7:35 (i) **Open Forum**
- 7:40 (j) **Adjournment**

**HCDC meetings start at 5:45 pm. All other times listed for the specific agenda topics are estimates. Actual start times may deviate from the estimate provided.*

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at the City of San Jose Housing Department, 200 E. Santa Clara St., 12th Floor, San Jose, CA 95113 at the same time that the public records are distributed or made available to the legislative body.

To request an accommodation for this meeting or an alternative format for any related printed materials, please contact Robert Lopez at 408-975-4402 or Robert.Lopez@sanjoseca.gov or 408-294-9337 (TTY) as soon as possible, but at least three business days before the meeting.

Para residentes que hablan español: Si desea mas información, favor de llamar a Theresa Ramos al 408-975-4475.

Riêng đối với quý vị nói tiếng Việt : Muốn biết thêm chi-tiết, xin vui lòng tiếp xúc với Therese Tran, Đ.T. 408-793-5349.

對於說華語的居民: 請電 408-975-4450 向 Ann Tu 詢問詳細事宜。說粵語的居民則請撥打 408-975-4425 與 Yen Tiet 聯絡。

Para sa mga residente na ang wika ay tagalog: Kung kinakailangan pa ninyo ng inpormasyon, tawagan si Arlene Silverio sa 408-793-5542. Salamat Po.

***You can access the agenda and all attachments electronically at the Housing & Community Development Commission website at : <http://www.sanjoseca.gov/index.aspx?NID=1262>

HOUSING & COMMUNITY DEVELOPMENT COMMISSION

REGULAR MEETING ACTION MINUTES

NOVEMBER 12, 2015

MEMBERS PRESENT:

Martha O'Connell	Chair
Amanda Montez	Vice Chair
Michael Fitzgerald	Commissioner
Bob Gill	Commissioner
Mike Graves	Commissioner
Davlyn Jones	Commissioner
Melissa Medina	Commissioner
Alex Shoor	Commissioner (arrived at 5:58pm)
Victoria Johnson	Commissioner (exited at 7:36pm)
Patrick Ngo	Commissioner
Steven Neff	Commissioner
Lee Thompson	Commissioner
Gary Prideaux	Commissioner

MEMBERS ABSENT: None

STAFF:

Dave Bopf	Housing Department
James Stagi	Housing Department
Ray Bramson	Housing Department
Adam Marcus	Housing Department
Robert Lopez	Housing Department
Jenny Nusbaum	Planning Department
Dan Block	Vice Mayor Herrera's Office

(a) Call to Order/Orders of the Day—Chair O'Connell opened the meeting at 5:53pm. Commissioner Gill made the motion to approve the Orders of the Day with a second by Commissioner Graves. The motion passed unanimously (13:0).

(b) Introductions—Commissioners, staff, and audience introduced themselves.

(c) Approval of the Action Minutes for the October 8, 2015 Regular Meeting

Commissioner Jones made the motion to approve the minutes for the October 8, 2015 regular meeting with a second by Commissioner Graves. The motion passed unanimously (13:0).

(d) Chair's Report (Chair O'Connell)

Chair O'Connell announced that it was Vice Chair Montez's birthday. Vice Chair Montez also announced that this would be her last meeting as she will be moving on from the Housing Commission.

(e) Mobilehome Conversion Strategy (A. Marcus, Housing Department)

Mr. Marcus gave an update on the Mobilehome Conversion Strategy and welcomed comments and questions from the Commission and the public.

DRAFT

Commissioner Jones made the motion to recommended that the Community and Economic Development Committee direct staff to estimate the necessary budget and staff time to study and develop the proposed alternatives in regards to the Mobilehome Park Preservation Policies and Conversion Ordinance.

Vice Chair Montez seconded the motion and proposed a friendly amendment that clarifies “the proposed alternatives within the staff memo”. The friendly amendment was accepted by Commissioner Jones. The motion passed unanimously (13:0).

Commissioner Thompson made the motion to recommended that the Community and Economic Development Committee consider staff’s work on the General Plan Text Amendments as well as the comments provided by the Law Foundation of Silicon Valley. Vice Chair Montez seconded the motion and proposed a friendly amendment to include the Law Foundation’s memorandum with the staff memorandum. The friendly amendment was accepted by Commissioner Thompson. The motion passed 10:2:1 with Commissioner Graves and Neff opposed and Commissioner Fitzgerald abstained.

(f) Public Hearing: Substantial Amendment to the FY 2015-16 Annual Action Plan (J. Stagi, Housing Department)

Chair O’Connell opened the public hearing.

Elizabeth Alvarez form Franklin-McKinley commented that she is excited to have more investment and more programs.

Chair O’Connell closed the public hearing.

Commissioner Thompson made the motion to recommend approval of the Substantial Amendment to the FY 2015-16 Annual Action Plan with a second by Commissioner Graves. The motion passed unanimously (13:0).

(g) FY 2016-17 Annual Action Plan Funding Strategies (J. Stagi, Housing Department)

Vice Chair Montez made the motion to accept staff recommendations on the FY 2016-2017 Annual Action Plan Funding Framework and Priorities, but to also to consider the Silicon Valley Council of Nonprofits recommendations outlined in the letter presented at the meeting. Commissioner Thompson proposed a friendly amendment that specifically recommended bridge funding for \$200,000, not a 50% reduction for public service programs related to Seniors for one year, until City Council identifies an alternative funding source to ensure senior services and senior social isolation is not eliminated. The friendly amendment was accepted by Vice Chair Montez and the motion was seconded by Chair O’Connell. The motion passed (11:0:1) with Commissioner Shoor abstained and Commissioner Johnson absent.

(h) Affordable Housing Investment Plan FY 2015/16 – 2016/17 (D. Bopf, Housing Department)

Commissioner Graves made the motion to accept the Affordable Housing Investment Plan FY 2015/16 – 2016/17 report with a second by Commissioner Jones. The motion passed (11:0) with Vice Chair Montez recusing herself from the vote and Commissioner Johnson absent.

DRAFT

(i) Director's Report (D. Bopf, Housing Department)

Mr. Bopf announced that Jacky Morales-Ferrand was approved by City Council as the permanent Director of the Housing Department.

Mr. Bopf also announced that the addition of the crime-free initiative to the Commissioner workplan will be heard by the Rules Committee.

(k) Open Forum

Janice Levin, senior peer advocate at Willow Glen Community Center, stated that the issue of senior housing is becoming prevalent. And programs such as shared housing should be supported.

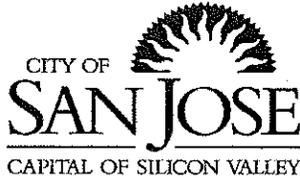
Larry Ames, Chair of the Neighborhoods Commission, stated that the Neighborhoods Commission thought that the crime-free initiative should be under the purview of the Housing Commission.

Commissioner Ngo announced that this would be his last meeting as he is resigning from the Commission.

Commissioner Gill requested that commendation letters be awarded to Commissioners Ngo and Montez for their service.

(l) Adjournment

Chair O'Connell adjourned the meeting at 9:11pm.



Memorandum

TO: HOUSING & COMMUNITY
DEVELOPMENT COMMISSION

FROM: Jacky Morales-Ferrand

SUBJECT: SEE BELOW

DATE: January 7, 2016

Approved

Date

**SUBJECT: MOBILEHOME PARK CONVERSION – COUNCIL POLICY AND
GENERAL PLAN, ZONING ORDINANCE AMENDMENTS – PLANNING
COMMISSION ITEMS**

RECOMMENDATION

Provide recommendations to City Council on items 4.c.1.2 & 6.a.1 of the January 13, 2016 Planning Commission meeting regarding proposed:

1. General Plan Text Amendment.
2. Amendments to Title 20 of the San José Municipal Code (Zoning Code).
3. City Council Policy on the Conversion of Mobilehome Parks to Other Uses.

BACKGROUND

The Department of Planning, Building and Code Enforcement (PBCE) intends to bring three items to the Planning Commission on January 13, 2016 and may continue these items to January 27, 2016. These items are a proposed General Plan text amendment, Zoning Code amendments, and a new City Council Policy on the Conversion of Mobilehome Parks to Other Uses that aim to preserve mobilehomes as source of housing choice in San José. The Housing and Community Development Commission (HCDC) has not yet had an opportunity to provide comments on items the Zoning Code amendments and new City Council Policy. These three items are scheduled for public City Council hearings on February 9 and may be continued to February 23rd.

Jacky Morales-Ferrand
Director, Department of Housing

Attachments:

Staff Memo to Planning Commission on items 4.c.1.2 & 6.a.1

HOUSING AND COMMUNITY DEVELOPMENT COMMISSION

Mobilehome Park Conversion – Planning Commission Items

January 7, 2015

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GPT15-006: General Plan text amendment

PP15-130 a: Zoning Code amendments

PP15-130 b: Council Policy

For questions, please contact Jenny Nusbaum, Department of Planning Building and Code Enforcement, (408) 535-7872.



Memorandum

TO: PLANNING COMMISSION

FROM: Harry Freitas

SUBJECT: SEE BELOW

DATE: January 4, 2016

SUBJECT:

1. **GPT15-006**: General Plan Text amendment to: 1) strengthen goals and policies to protect existing mobilehome parks in the City of San José as a component of housing choice and a source of existing affordably-priced housing in established neighborhoods, and to improve protection from conversion to other uses; and 2) add General Plan goals, policies, and actions to preserve mobilehome parks and other housing in each Urban Village until the preservation of affordable housing can be comprehensively addressed by adoption of an Urban Village Plan specific to that Urban Village.
2. **PP15-130 a**: Zoning Code amendments to Title 20 of the San José Municipal Code, (the Zoning Code) Chapter 20.100 (Administration and Permits) Sections 20.100.220, 20.100.720, and 20.100.940, and addition of a subsection C to Section 20.180.010 to Chapter 20.180 (Mobilehome Parks Conversions to Resident Ownership or to Any Other Use) Part 1 (General), and to make other technical, formatting or other non-substantive changes within those sections of the Zoning Code to: make the City Council the initial decision-making body for consideration of all proposed mobilehome park conversions to another use after the Planning Commission considers these proposals for recommendations to Council; and add provisions for making findings of consistency with the Envision San José 2040 General Plan for Conditional Use Permits.
3. **PP15-130 b**: Incorporate into a new City Council Policy new provisions for consideration of mobilehome park conversion to other uses. The proposed Council Policy is intended to facilitate implementation of the requirements in the Zoning Code regarding mobilehome park conversions to another use.

RECOMMENDATION

Recommend that the City Council adopt items 1, 2, and 3 as itemized above (see attached Draft General Plan Text amendment, Draft Ordinance, and Draft City Council Policy).

OUTCOME

The proposed changes are intended to further implement the Housing Element and the Housing Goals, Policies, and Actions set forth within the Envision San José 2040 General Plan (General Plan) and add measures that strengthen the protection of the City's existing range of housing options and residential communities.

BACKGROUND

The conversion of mobilehome parks to another use is a land use issue regulated both by the State Planning Law and the Mobilehome Residency Law and by the City under the San José Municipal Code and the General Plan. The City is allowed, but not required, by State law to have a mobilehome park conversion ordinance. In 1986, the City adopted an ordinance now found in Chapter 20.180 of the Zoning Code to regulate, among other items, the conversion of mobilehome parks consisting of four or more mobilehomes to other uses (the mobilehome park conversion ordinance). Such conversions require approval of a Conditional Use Permit (CUP) or a Planned Development Permit ("PD Permit"). No mobilehome park conversions have been processed under this ordinance.

Attributes of Existing Mobilehome Parks in San José

Staff research shows that the City of San José has 59 mobilehome parks with approximately 10,836 mobilehomes that house approximately 35,000 residents, which is the largest number of mobilehomes and households in any city in California. A mobilehome is typically owned by its occupant and located on rented space in a mobilehome park. Mobilehome parks' space-rents are regulated by the City's Mobilehome Rent Control Ordinance in the San José Municipal Code, Chapter 17.22, and its Regulations, and many spaces in these mobilehome parks have rents that are affordable to lower-income households.

Mobilehome parks in San José vary in size, age, location, type of mobilehomes, and in composition of residents. Approximately half of the City's 59 mobilehome parks were built between 1961 and 1974.

Some mobilehome parks consist exclusively of mobilehomes, and others contain a mix of recreational travel-trailers and mobilehomes; some are well-maintained, and others are in need of maintenance; some are in central urban areas served by public transit, and others are in more outlying areas of San José. The mobilehome parks in San José also vary in terms of their zoning districts and General Plan land use designations. Some mobilehome parks are located in Industrial Zoning Districts or in areas that are designated in the General Plan for industrial or other nonresidential uses and are predominantly surrounded by industrial uses, and others are located in areas with residential land use designations and residential zoning districts.

Discussion of the Work Plan at City Council, Community and Economic Development (CED) Committee, and Housing and Community Development Commission (HCDC) Meetings

In recent years, the Council has expressed an interest in enhancing the protection of existing mobilehome parks in San José from conversion to other uses. This interest has informed the Council's consideration of amendments to the Envision San José 2040 General Plan and State-mandated Housing Element updates. At its priority-setting session on September 9, 2014, the Council added consideration of an update to the mobilehome park conversion ordinance to the ordinance priority list.

PLANNING COMMISSION

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Subject: General Plan Text Amendment, Zoning Code Changes, and Council Policy for Mobilehome Parks

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On June 22, 2015, staff provided a report on a proposed work plan for the Mobilehome Park Preservation Policies/Conversion Ordinance Update to the Community and Economic Development (CED) Committee. The work plan listed the following proposed policy and ordinance changes: a) amend the General Plan text to strengthen protection for mobilehome parks from conversion; b) amend the Zoning Code to make the City Council the decision-making body for mobilehome park conversions to another use; c) amend the mobilehome park conversion ordinance to authorize that guidelines be adopted via a Council Policy and d) adopt a City Council policy with guidelines for implementation and clarification of the mobilehome park conversion ordinance's provisions applicable to conversion of use.

At its June 22, 2015 meeting, the CED Committee accepted the work plan and directed staff to meet with mobilehome park owners and operators to include their input on the work plan prior to presenting it to Council for discussion and action. Staff facilitated two focus group meetings with mobilehome park owners and operators on July 16 and 23, 2015. In addition, two focus groups with residents were held by staff on July 30 and August 6, 2015. Staff also presented a status report on the work plan and stakeholder meetings to the CED Committee at its meeting held on November 16, 2015.

The report to CED and the work plan were presented to the City Council on August 11, 2015.

In response to recommendations made by Councilmembers in two separate Councilmembers' memoranda, the City Council adopted two motions as follows:

1. The report and proposed work plan were accepted, including the joint memorandum from Mayor Sam Liccardo, Vice Mayor Rose Herrera and Councilmembers Chappie Jones, Manh Nguyen and Tam Nguyen, dated August 7, 2015, to (1) accept staff's report and work plan to further the preservation of mobilehome parks; and (2) direct staff to return in two weeks with an urgency ordinance, and with a standard ordinance to establish a moratorium on mobilehome park conversions for six months.
2. Acceptance of Councilmember Johnny Khamis's recommendations: (a) direct Housing staff to meet with stakeholders and mobilehome park owners, to discuss their "Opt-In; Stay in Business" proposal regarding alternative methods of maintaining mobile home inventory, and (b) return to Council with a review of the 2040 General Plan to examine mobilehome parks with Urban Village designations and the implications for mobilehome park residents with respect to conversion.

Staff presented status reports on the work plan for the Mobilehome Park Preservation Policies/Conversion Ordinance Update to the HCDC at its meetings held on June 11, August 13, September 10, October 8, and November 12, 2015. At the November 12, 2015 HCDC meeting, the Commission recommended to the CED Committee that the City slow down the work-plan implementation process, determine costs of analyzing policy alternatives to staff's recommendations, and consider recommendations in the Law Foundation's letter to HCDC dated November 12, 2015 (see attached public correspondence).

Discussion of the Moratorium on Conversions at City Council, Planning Commission, and Housing and Community Development Commission (HCDC) Meetings

On August 25, 2015, the City Council adopted an interim ordinance, as an urgency measure (“urgency ordinance”), establishing a temporary 45-day moratorium on the conversion or closure of mobilehome parks pending the review and possible amendment of the land use regulations applicable to such conversions and closures. The Council also directed staff to refer to the Planning Commission for its review and recommendation, at its earliest possible regular meeting, a substantially similar non-urgency ordinance establishing a temporary moratorium on the conversion or closure of mobilehome parks pending the review and possible amendment of the land use regulations applicable to such conversions and closures.

At its September 9, 2015 public hearing, the Planning Commission recommended to the City Council a non-urgency ordinance establishing a temporary moratorium on mobilehome park closure and conversion. The Council adopted this non-urgency ordinance on September 15, 2015 to establish a temporary moratorium through February 25, 2016 on the conversion or closure of mobilehome parks pending the review and possible amendment of the land use regulations applicable to such conversions and closures.

ANALYSIS

Pursuant to the Work Plan approved by Council, staff’s proposed General Plan Text amendment, Zoning Code changes, and new City Council Policy could strengthen the protection of existing mobilehome parks in San José by providing stronger policy language in the General Plan for protection of the use; a City Council Policy with guidelines regarding procedures and findings for mobilehome park conversion of use proposals, and Zoning Code changes designating the City Council as the decision-making body for mobilehome park conversion of use.

General Plan Text Amendment

- Staff proposes adding General Plan text to strengthen Policies and Actions to protect existing mobilehome parks in the City of San José as a component of housing choice, as a source of existing affordably-priced housing in established neighborhoods, and to improve protection from conversion to other uses; and
- To address Council’s concern about more imminent pressure for conversion of mobilehome parks in Urban Villages and also to avoid displacement of renters in homes and apartments, staff proposes to add General Plan text to Goals and Policies to help preserve mobilehome parks and other housing in each Urban Village until the preservation of affordable housing can be comprehensively addressed by adoption of an Urban Village Plan specific to that Urban Village.

Zoning Code Changes

Conversion of a mobilehome park to another use requires approval of either a PD Permit or CUP. The decision-making body for these permits can vary, depending on whether the permit applications are concurrently processed with a rezoning application, or if the permits are appealed. For these reasons, most PD Permits and CUPs are not decided by the City Council.

- Staff proposes changes to the Zoning Code to make the City Council the initial decision-making body for consideration of all proposed mobilehome park conversions of use after the Planning Commission considers these proposals for recommendations to Council.
- Staff proposes to add provisions for making findings of consistency with the General Plan for CUPs and for PD Permits.
- Staff proposes to add a new subsection to Zoning Code Chapter 20.180 authorizing the adoption of additional rules and regulations for the implementation of that Chapter to facilitate utilization of the Council Policy described below.

City Council Policy

The proposed new City Council Policy is intended to clarify Zoning Code Chapter 20.180 and provide guidelines to facilitate implementation of the requirements in the Zoning Code regarding mobilehome park conversion to other uses including but not limited to:

- Clarifying that the intent of Council direction is to encourage the preservation of mobilehomes;
- Providing guidelines for good-faith negotiations between mobilehome park residents (including mobilehome owners and mobilehome tenants) and mobilehome park owners;
- Providing guidelines regarding relocation impact reports and appraisals; and
- Providing guidelines regarding a satisfactory program of relocation and purchase assistance, including but not limited to compensation to residents, purchase price for the existing mobilehomes, and relocation benefits.

GENERAL PLAN CONSISTENCY

As proposed by Planning staff, the General Plan Text amendment, Zoning Code changes, and new City Council Policy are consistent with the Housing Element, as well as the General Plan's Housing Goals, Policies, and Actions that contribute to the protection of the City's existing range of housing options and residential communities. Staff's proposed ordinance changes and new City Council Policy are intended to help implement these General Plan Goals, Policies, and Actions in a manner that is consistent with the General Plan.

Conclusion

The proposed General Plan Text amendments, Zoning Code changes, and new City Council Policy can improve protection of existing mobilehome parks by: 1) strengthening General Plan Goals, Policies, and Actions for protecting this type of existing housing stock in San José; 2) in the Zoning Code, clarifying existing provisions, strengthening findings, and making the City Council the decision-maker for consideration of conversion of mobilehome parks to other uses; and 3) in the City Council Policy, providing additional guidance for the City's review of applications for Planning permits for such conversions.

PUBLIC OUTREACH/INTEREST

Staff posted information about the proposed General Plan Text amendment, Zoning Code changes, and new City Council Policy on the Planning Division's and the Housing Department's websites in compliance with applicable requirements of the San José Municipal Code and State law. Staff has been available to discuss this item with interested members of the public. Staff will also send e-mail notification of this agenda item to its list of self-subscribed e-mail addresses that have requested notification. The City has a webpage dedicated to information regarding the Mobilehome Park Preservation Policies/Conversion Ordinance Update, and staff regularly updates this webpage as the status of the work plan progresses. For focus groups, staff notified stakeholders by written correspondence and by phone. For community meetings, staff notified stakeholders by written correspondence sent by e-mail and by regular mail.

Staff facilitated two focus group meetings with mobilehome park owners and operators on July 16 and 23, 2015. In addition, two focus groups with residents were held by staff on July 30 and August 6, 2015.

Staff provided additional public outreach and received further public input from community meetings held on August 13, 29, and 31, 2015 after Council adoption of the previously imposed temporary moratorium by urgency ordinance. This input provided more insight on the housing constraints in the San José area, and suggestions on modifications to include in Zoning Code changes and new Council policies to address the problems related to mobilehome park closure and conversion. There were more than 70 attendees per meeting, including Vietnamese and Spanish speakers, as well as people in wheelchairs and seniors.

Feedback that staff has received from stakeholders includes comments that the existing mobilehome park conversion ordinance in the Zoning Code is "untested" and that there are many ways to interpret the use of the word "may" in the provisions relating to relocation and purchase assistance. Suggestions specific to policy and code changes include the following:

- Re-designate in the General Plan all mobilehome parks to allow only the mobilehome park use.
- Re-designate in the General Plan mobilehome parks that are currently in Urban Villages to be outside of the boundaries of Urban Villages.
- Re-zone mobilehome parks in San José so that they all allow only the mobilehome park use.

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Subject: General Plan Text Amendment, Zoning Code Changes, and Council Policy for Mobilehome Parks

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- Require the City Council to be the decision-maker on all mobilehome park conversion applications (and Planning Commission can be a recommending body).
- Calculate fair market value from comparable mobilehomes that are outside of the mobilehome park that is the subject of a pending application for conversion.
- Define and provide a measure for equivalent quality of replacement housing.
- Mandate relocation requirements by Council Policy.
- Require no net loss of mobilehome park spaces or at least no net loss of housing units in San José if a conversion is approved.
- Establish an arbitration process when agreement between the mobilehome park owner/applicant and the mobilehome park residents cannot be reached.
- Slow down, and explore policy alternatives.
- Help mobilehome park residents get organized.
- Maintain no net loss of mobilehome parks.
- Mobilehome parks in other cities are closing, resulting in fewer available spaces for relocation of residents if conversion to other uses occurs.
- “Preserve” is stronger than “Protect.”
- Winchester mobilehome park conversion to other uses could offer 1:1 residential unit replacement, with affordable units at 60% Area Median Income (AMI).

The existing provisions in the Zoning Code already address some of these issues to some extent. For example, the Zoning Code provides for mediation when agreement for purchase of a mobilehome park cannot be reached, and there are provisions for relocation assistance and compensation.

General Plan land use amendments to apply a mobilehome park overlay or a mobilehome park specific land use designation on existing mobilehome park sites in San José as suggested by stakeholders, such as the Law Foundation, are not recommended by staff. First, staff cannot prepare such land use proposals for Council consideration during the timeframe that the temporary moratorium is in effect, due to the need for additional environmental analysis and public engagement.

Where feasible from a legal and practical standpoint, staff has attempted to address many of the issues raised by stakeholders through the proposed General Plan Text amendment, a new City Council Policy, and changes to the Zoning Code, as discussed in this staff report and in the attached documents.

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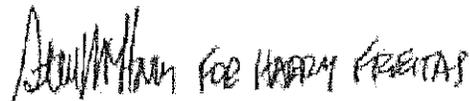
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COORDINATION

Preparation of this report, the proposed General Plan Text and Zoning Code Changes, and new City Council Policy for Mobilehome Parks were coordinated with the Housing Department and the City Attorney's Office. The proposed General Plan Text amendment, File No. GPT15-006, was referred to the Santa Clara Valley Airport Land Use Commission (ALUC) on December 10, 2015. ALUC staff is reviewing the referral, as of the writing of this staff report.

CEQA

PP10-068. Not a Project. General Procedure and Policy-making: Code or Policy change that involves no changes in the physical environment.



HARRY FREITAS, DIRECTOR
Planning, Building and Code Enforcement

For questions, please contact Jenny Nusbaum, Supervising Planner, Ordinance and Policy Team at 408-535-7872.

Attachments: Draft General Plan Text amendment
Draft Ordinance
Draft City Council Policy
Public Correspondence

Mobilehome Park Protection – Proposed General Plan Text Amendments

DRAFT 10/30/2015

Chapter 4 page 29

Goal H-1 Housing – Social Equity and Diversity

Provide housing throughout our City in a range of residential densities, especially at higher densities, and product types, including rental and for-sale housing, to address the needs of an economically, demographically, and culturally diverse population.

Policies – Housing – Social Equity and Diversity

H-1.1 Through the development of new housing and the preservation and rehabilitation of existing housing, facilitate the creation of economically, culturally, and demographically diverse and integrated communities.

H-1.2 Facilitate the provision of housing sites and structures across location, type, price and status as rental or ownership that respond to the needs of all economic and demographic segments of the community including seniors, families, the homeless and individuals with special needs.

H-1.3 Create housing opportunities and accessible living environments that allow seniors to age in place, either in the same home, assisted living facilities, continuing care facilities, or other housing types within the same community.

H-1.4 Encourage the location of housing designed for senior citizens in neighborhoods where health and community facilities and services are within a reasonable walking distance and are accessible by public transportation.

H-1.5 Facilitate the development of multi-generational housing in compact form that meets the needs of families living together.

H-1.6 Foster the production of housing to serve the “starter” housing market by leveraging financial resources such as purchasing assistance programs and by encouraging market-rate building typologies that serve the “starter” housing market.

H-1.7 Comply with State and Federal laws prohibiting discrimination in housing and that support fair and equal access to housing.

H-1.8 Encourage investments in infrastructure in order to maintain high-quality living environments in existing mobilehome parks.

H-1.9 Facilitate the development of housing to meet San José’s fair share of the County’s and region’s housing needs.

H-1.10 Preserve existing mobilehome parks throughout the City in order to reduce and avoid the displacement of long-term residents, particularly senior citizens, the disabled, low-income persons, and families with school-age children, who may be required to move from the community due to a shortage of replacement mobilehome housing, and to maintain a variety of individual choices of tenure, type, price, and location of housing.

Actions – Housing – Social Equity and Diversity

H-1.11 (see CC action 12/16/2014) adopting new H-1.10 which would now be H-1.11

Increase, preserve and improve San José’s affordable housing stock. Preserve and improve San José’s existing affordable housing stock and increase its supply such that 15% or more of the new housing stock developed is affordable to low, very low and extremely low income households. Nothing in this language is intended, directly or indirectly, to impose any requirement on any individual housing project to include an amount or percentage of affordable units. Nothing in this language is intended to, directly or indirectly, result in a finding or determination that an individual housing project is inconsistent with the General Plan, if it does not contain any affordable housing units.

~~H-1.10~~ 1.12 Develop a program to promote the “starter” housing market that leverages all financial resources and facilitates production of “starter” housing.

~~H-1.11~~ 1.13 Continue to work in close cooperation with other entities, public, private and non-profits, to foster information, techniques, and policies to achieve the Housing Goals, Policies, and Implementation Actions in this Plan and make such information readily available.

~~H-1.12~~ 1.14 Continue to partner with local agencies, non-profits, and businesses to provide fair housing information, legal services, foreclosure prevention assistance, and anti-predatory lending assistance.

~~H-1.13~~ 1.15 Continue to monitor and participate in anti-predatory lending practices by partnering with local agencies.

H-1.16 Encourage all proposed conversions of mobilehome parks to other uses to include mitigation measures that provide displaced residents with housing options that are affordable once any short-term subsidy has elapsed.

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General Land Use Goal LU-2 – Growth Areas

Focus new growth into identified Growth Areas to preserve and protect the quality of existing neighborhoods, including mobilehome parks, while establishing new mixed use neighborhoods with a compact and dense form that is attractive to the City's projected demographics i.e., a young and senior population, and that supports walking, provides opportunities to incorporate retail and other services in a mixed-use format, and facilitates transit use.

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Implementation Goal IP-5 – Urban Village Planning

Use new proposals for residential, mixed use, or employment development to help create walkable, bicycle-, and transit-friendly "Urban Villages" (also referred to as "Villages" within the Envision General Plan) at strategic locations throughout the City, and to enhance established neighborhoods. In new Village development, integrate a mix of uses including retail shops, services, employment opportunities, public facilities and services, housing, places of worship, and other cultural facilities, parks and public gathering places.

Policies – Urban Village Planning

Implementation Policy IP-5.1 – Urban Village Planning Prepare a comprehensive Urban Village Plan prior to the issuance of entitlements for residential development within any of the Urban Village areas identified on the Land Use / Transportation Diagram. Commercial projects, including those with ancillary residential uses, and "Signature Projects", as defined in Policy IP-5.10, may proceed in advance of the preparation of a Village Plan. Use the Village Plan to clearly address:

1. **Job and Housing Growth Capacity:** Identify suitable areas for retail and other employment uses, giving careful consideration to existing and future demand for retail space, the appropriate location and design of retail spaces, opportunities for large-scale and small-scale retail uses, and adequate and appropriate sites for other employment uses consistent with the total planned job capacity for the particular Growth Area. Identify suitable areas for residential development, capable of supporting the full amount of planned residential growth capacity. Apply corresponding Land Use / Transportation Diagram or zoning designations to support the proposed employment and residential density ranges.
2. **Urban Village Boundaries and Land Uses:** Identify potential adjustments to the identified Urban Village Boundaries and potential modifications to the Land Use / Transportation Diagram as

necessary to best utilize existing land use growth capacity, address neighborhood context, and promote economic development through the identification of optimal sites for retail and other employment uses. Provide adequate job growth capacity for retail, office and other employment uses to accommodate both the existing levels of activity plus the planned amount of growth for each job type category. Identify and designate existing land uses, including but not limited to residential uses such as existing mobilehome parks, within the Urban Village Area boundaries, ~~if any~~, which should be retained rather than made available for redevelopment. Match the planned land uses for any areas within the Urban Village Area which have already been addressed through an overlapping Urban Village plan.

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Implementation Policy IP-5.4 – Urban Village Planning Prepare and implement Urban Village Plans carefully, with sensitivity to concerns of the surrounding community, residents, and property owners and developers who propose redevelopment of properties within the Urban Village areas. Proceed generally in the order of the following timeline, although some steps may be taken concurrently:

1. City Council approves commencement of the Plan growth Horizon which includes the Urban Village Area during a Major General Plan Review. Completing Urban Village Plans for Urban Villages within the current Horizon is of greatest priority, but it is possible to prepare an Urban Village Plan for an Urban Village in an upcoming Horizon.
2. The City completes preparation of and Council reviews an Urban Village Plan.
3. The City or private property owners initiate rezoning for specific properties within the Urban Village as needed to implement the Urban Village Plan. Because most Urban Village sites initially have commercial zoning, rezoning will be necessary to provide for redevelopment and intensification with residential or residential mixed use projects on those sites.
4. Private property owners or developers propose individual site designs and building architecture to be reviewed and determined through a Development Permit application and review process.

Implementation Policy IP-5.7 – Urban Village Planning Carefully consider the best land uses and urban design standards for properties located along an Urban Village periphery to minimize potential land use conflicts with adjacent properties. In particular, address interfaces with established ~~single family~~ Residential Neighborhood areas including mobilehome parks.

CHAPTER 20.100 ADMINISTRATION AND PERMITS

Part 2 - COMMON PROCEDURES

20.100.220 - Appeal - Hearing body.

Decisions on permits or approvals pursuant to this chapter are subject to appeal as set forth in Table 20-260 which lists the initial decision maker and the decision making body which will hear any appeal.

Table 20-260 Appeal Hearing Body		
Application	Initial Decision Making Body 1	Appeal Decision Making Body 2
Administrative permit	Director of Planning	No Appeal
Site development permit	Director of Planning	Planning Commission
Site development permit - projects within downtown districts and exceeding 150 feet and FAR of 6:1	Director of Planning	City Council
Single-family house permit	Director of Planning	
Administrative decision	Director of Planning	No Appeal
Director's hearing	Director of Planning	Planning Commission
Planned development permit	Director of Planning	Planning Commission
Special use permit	Director of Planning	Planning Commission

Special use permit - for schools that are elementary or secondary (public or private), post secondary, trade and vocational, or driving (class C & M license) in the PQP public/quasi-public zoning district	Director of Planning	City Council
Special use permit - for church/religious assembly in the PQP public/quasi-public zoning district	Director of Planning	City Council
Special use permit - for privately-operated museums, libraries, parks, playgrounds, or community centers in the PQP public/quasi-public zoning district	Director of Planning	City Council
Conditional use permit	Planning Commission	City Council
Conditional use permit - stadium, more than 2,000 seats including incidental support uses	City Council	No Appeal
Conditional use permit - drinking establishments with an approved maximum occupancy load of over 250 persons that operate between 12:00 midnight and 6:00 a.m.	City Council	No Appeal
Conditional use permit involving off-premises sale of alcoholic beverages requiring a determination under Chapter 6.84 where findings required by planning commission under Section 6.84.030.B.1. through 4. cannot be made	City Council	No Appeal
<u>Conditional Use Permit or Planned Development Permit for Mobilehome Park Conversion of Use</u>	<u>City Council</u>	<u>No Appeal</u>
Variance	Director of Planning	Planning Commission
Exception	Director of Planning	Planning Commission
Sidewalk café permit	Director of Planning	City Council
Tree removal permit	Director of Planning	

Administrative decision	Director of Planning	No Appeal
Director's hearing	Director of Planning	Planning Commission
Zoning code verification certificate	Director of Planning	No Appeal

1. The city council is the initial decision making body for a project that requires certification of an environmental impact report for environmental clearance unless the project as proposed includes all mitigation measures identified in the draft environmental impact report for the project as necessary to reduce the impacts of the project to a less than significant level.
2. The city council is the appeal decision making body for all projects in which appeals have been filed for both approval of the project under this chapter and environmental clearance for the project under Title 21 of this Code.

Part 6 - CONDITIONAL USE PERMITS

20.100.700 - Applicability.

- A. The provisions of this part apply to and govern the issuance of all permits made subject to the provisions of this part. All permits governed under this part shall hereinafter be referred to as conditional use permits, and shall be issued by the planning commission or by the city council as described in this Chapter 20.100.
- B. Use exception permits, legal nonconforming use enlargement permits, permits for parking areas or structures in residence districts, development permits in the T-M district, quarry permits, cluster permits and low density cluster permits issued under previously existing provisions of this title shall be deemed to be conditional use permits and shall be governed by this part.

(Ords. 26248, 28731.)

20.100.710 - Action by director.

Upon finding an application for a conditional use permit complete pursuant to this chapter, the director shall review the application and shall set a public hearing thereon before the planning commission or city council, as appropriate pursuant to the provisions of this Chapter 20.100.

(Ords. 26248, 28731.)

20.100.720 - Findings.

- A. The planning commission, or the city council, may issue a conditional use permit only after finding that:

1. The proposed use at the location requested will not:
 - a. Adversely affect the peace, health, safety, morals or welfare of persons residing or working in the surrounding area; or
 - b. Impair the utility or value of property of other persons located in the vicinity of the site; or
 - c. Be detrimental to public health, safety or general welfare; and
2. The proposed site is adequate in size and shape to accommodate the yards, walls, fences, parking and loading facilities, landscaping and other development features prescribed in this title, or as is otherwise required in order to integrate said use with the uses in the surrounding area; and
3. The proposed site is adequately served:
 - a. By highways or streets of sufficient width and improved as necessary to carry the kind and quantity of traffic such use would generate; or by other forms of transit adequate to carry the kind and quantity of individuals such use would generate; and
 - b. By other public or private service facilities as are required.
4. The Conditional Use Permit, as issued, is consistent with and will further the policies of the General Plan.

- B. The planning commission, or the city council, shall deny the application where the information submitted by the applicant and/or presented at the public hearing fails to satisfactorily substantiate such findings.

20.100.730 - Term.

- A. A conditional use permit may be time-conditioned, as appropriate, by the planning commission or city council.
- B. If the use authorized by the conditional use permit is discontinued for a period of 12 months, the conditional use permit will expire and the conditional use permit will no longer be in effect.

20.100.740 - Renewal.

- A. The permit holder may seek renewal of a time-conditioned conditional use permit by filing a timely renewal application on the form provided by the director.
- B. An application for renewal must be filed more than ninety calendar days but less than one hundred eighty calendar days prior to the expiration of the conditional use permit.
- C. Once a renewal application has been filed in a timely manner, the expiration date of the conditional use permit is automatically extended until either the issuance or denial of the application for renewal has become final.
- D. Any application filed after the renewal filing period has expired shall be deemed to be an application for a new conditional use permit. If a new conditional use permit is not issued prior to the expiration of the conditional use permit, the continuation of any use which requires such permit shall be in violation of this title.

- E. The procedures set forth in this chapter for the processing of an application for a conditional use permit shall equally apply to a renewal application except as hereinafter expressly set forth.

20.100.750 - Renewal findings.

- A. Consideration of a renewal application shall be based on a rebuttable presumption that the use as permitted by the conditional use permit meets the findings of this part.
- B. The presumption shall be rebutted by any evidence of noncompliance with any condition of any prior permit or law or ordinance, or by evidence of any changed condition in the neighborhood, or by evidence that the continued use creates a nuisance as defined by this title, or an impairment of public peace, health, safety, morals or welfare.
- C. Once the presumption has been rebutted, the conditional use permit shall not be renewed unless the findings required by this part have been made and the planning commission, or city council, is satisfied that full compliance with all conditions, laws and ordinances is assured.

20.100.760 - Amendment findings.

- A. An amendment may be granted by the planning commission, or the city council, upon a finding that the amendment does not negate any findings required by this part.
- B. Nothing in this section shall preclude the commission or the city council from modifying, adding or deleting any condition in order to protect the public peace, health, safety, morals or welfare.

20.100.770 - Appeal.

The appeal of any action taken under this part shall be governed by the procedures set forth in Section 20.100.220 - 20.100.280.

Part 8 - PLANNED DEVELOPMENT PERMITS

20.100.900 - Applicability.

The provisions of this part shall apply to and govern the issuance of planned development permits, commonly referred to as "PD permits" for planned developments in combined base and planned development districts, hereinafter also referred to in this part as "combined districts" or "planned development zonings." A planned development permit is a use permit as well as a permit which addresses aesthetic and functional aspects of development. Any planned development permit issued under this part shall be subject to the general provisions of this chapter related to development permits and the provisions of said section shall control over any inconsistent provisions of this part.

20.100.910 - Planned development permit required.

Unless the base zone is being utilized:

- A. No building or structure shall be erected, constructed, enlarged, placed or installed or moved onto any site nor shall there be any exterior alteration of any structure which is in a planned development district, and no building permit or installation permit shall be issued for such work, except pursuant to and in accordance with a planned development permit.
- B. No use shall be added, changed, modified, enlarged or altered on any site which is in a planned development district except pursuant to and in accordance with a planned development permit.
- C. A planned development permit may be issued for all or any part of the property situated in a planned development district.
- D. A planned development permit or amendment to a planned development permit may be issued for:
 - 1. The use of new dwelling units, which are not yet occupied for residential purposes, as model homes or sales offices in connection with the sale of dwelling units in a planned development district.
 - 2. The use of structures, such as mobile homes, as sales offices in connection with the sale of dwelling units in a planned development district.
 - 3. The use of land in the planned development district for off-street parking or other uses incidental to the sales office or model home operation. Such use shall be limited to the duration of the sales office or model home operation.
- E. A planned development permit is not required for building additions, exterior alterations, and accessory structures on parcels six thousand square feet or less which are used for single-family detached residential use if the additions, alterations, or structures:
 - 1. Meet the development regulations of the R-1-8 residence district; and
 - 2. The construction would not require the issuance of a single-family house permit, pursuant to Part 9 of this Chapter 20.100, if the property were not situated in a planned development zoning district; and
 - 3. The addition, alterations or accessory structures otherwise conform to the requirements of the planned development zoning district.
- F. A planned development permit is not required for mechanical equipment in planned development districts consisting solely of detached, one family dwelling uses. The setbacks for all mechanical equipment in these planned development districts must meet the setback requirements set forth in the particular planned development district. If no setback standards have been set forth for a particular planned development district, the setbacks requirements shall be those standards set forth in Section 20.60.080.
- G. A valid planned development permit, issued under this part, is required prior to the issuance of any building permit or installation permit for the creation, replacement, alteration or reconfiguration of impervious surface on any portion of a site not used solely for one single-family residence within a planned development district.

20.100.920 - No right to issuance.

- A. Pursuant to and in accordance with the provisions of this part, the director, or the planning commission on appeal, may issue planned development permits. For projects which require certification of an environmental impact report for environmental clearance, the planning director or planning commission may issue planned development permits only if the project as proposed includes all mitigation measures identified in the draft environmental impact report for the project as necessary to reduce the impacts of the project to a less than significant level. The city council may issue planned development permits for projects which require certification of an environmental impact report for

environmental clearance and the project as proposed does not include all mitigation measures identified in the draft environmental impact report for the project as necessary to reduce the impacts of the project to a less than significant level.

- B. Under no circumstances shall any applicant have the right to have a planned development permit issued for any property in a planned development district and nothing contained in this part shall, in any event or under any circumstances, be deemed or construed to confer on any applicant the right to have a planned development permit issued for any property.

20.100.930 - Action by director.

Upon finding of an application for a planned development permit complete pursuant to this chapter, the director shall review the application and shall set a public hearing on the application.

20.100.940 - Findings.

- A. The director, the planning commission on appeal, or the city council as appropriate, may issue a planned development permit only if all of the following findings are made:
 - 1. The Planned Development Permit, as issued, is consistent with and furthers the policies of the General Plan;
 - 2. The planned development permit, as issued, conforms in all respects to the planned development zoning of the property;
 - 3. The interrelationship between the orientation, location, mass and scale of building volumes, and elevations of proposed buildings, structures and other uses on-site are appropriate, compatible and aesthetically harmonious;
 - 4. The environmental impacts of the project, including, but not limited to noise, vibration, dust, drainage, erosion, storm water runoff, and odor which, even if insignificant for purposes of the California Environmental Quality Act (CEQA), will not have an unacceptable negative effect on adjacent property or properties.
- B. The director, the planning commission on appeal or the city council as appropriate shall deny the application where the information submitted by the applicant and/or presented at the public hearing fails to satisfactorily substantiate such findings.

20.100.950 - Amendment findings.

- A. Amendments may be granted at the discretion of the director, planning commission on appeal, or city council as appropriate upon a finding that the amendment does not negate any findings required by Section 20.100.940.
- B. Nothing in this section shall preclude the director, planning commission or city council from making reasonable modifications, additions or deletions to any condition in order to protect the public peace, health, safety, morals or welfare.

20.100.960 - Public open space - City council approval.

The director shall not issue a planned development permit providing for public open space, and no planned development permit issued by the director which provides for public open space shall be valid, unless before the issuance of such permit, the city council shall have approved the provisions of such public open space and the size, shape, location, and dimensions thereof. As used in this part, "public open space" means public park or playground land which shall be owned in fee by the City of San José.

The city's title to and ownership of public open space shall be vested and complete as soon as such public open space shall have been conveyed to the city pursuant to the provisions of any planned development permit, and immediately upon such conveyance the city shall have exclusive right to the possession and use of such public open space for public park or playground purposes, including, without limiting the generality of the foregoing, the right to construct buildings or structures thereon for such purposes; and nothing contained in this part or in any other section of this title, shall be construed to defeat the title or ownership of city to any public open space which shall have been conveyed to the city, nor to deny the city such right of possession and use.

20.100.970 - Conditions in planned development permits involving building relocations.

A planned development permit for the relocation of a building or part thereof may be conditioned upon the applicant providing a performance bond, or some equivalent satisfactory to the director of planning, ensuring that all work permitted and/or required by the planned development permit be completed in a timely manner. The permit shall include time limitations on the commencement and completion of the relocation, and on the commencement and completion of any required architectural and other required improvements.

20.100.980 - Appeal.

The appeal of any action taken under this part shall be governed by the procedures set forth in Sections 20.100.220 - 20.100.280.

Chapter 20.180 - MOBILEHOME PARK CONVERSIONS TO RESIDENT OWNERSHIP OR TO ANY OTHER USE

Part 1- GENERAL

20.180.010 Purpose of chapter.

A. This chapter is enacted to establish requirements and procedures for the control and approval of the conversion of mobilehome parks to community mobilehome park, mobilehome park condominium, and non-mobilehome park uses. By their nature, mobilehome park conversion projects differ specifically from other types of projects. The unique status of such projects tends to magnify the effects associated with higher urban densities to the point where they may lead to conditions of mismanagement, neglect, and blight that impact upon the public health, safety, welfare, and economic prosperity of the City of San José. Such projects may conflict with the policies of the City of San José to provide a variety of individual choices of

tenure, type, price, and location of housing and to maintain the supply of mobilehome housing for low and moderate income persons and families. To ensure that such problems are avoided in both short- and long-term, it is the express intent of the council of the City of San José to treat mobilehome park conversion projects differently from other projects, and to establish rules and standards regulating such projects in the City of San José.

B. This chapter is enacted to ensure that approval of proposed conversions is consistent with policies and objectives of the City of San José, particularly the following:

1. To make adequate provision for the housing needs of all economic segments of the community;
2. To facilitate resident ownership of mobilehome parks, while recognizing the need for maintaining an adequate inventory of rental space within mobilehome parks;
3. To provide a reasonable balance between mobilehomes and other types of housing;
4. To inform prospective conversion purchasers regarding the physical conditions of the structures and land offered for purchase;
5. To reduce and avoid the displacement of long-term residents, particularly senior citizens, the handicapped, those who are of low income, and families with school-age children, who may be required to move from the community due to a shortage of replacement mobilehome housing.

C. Notwithstanding Section A above, the City Council may adopt additional rules and standards for implementation and interpretation of this Chapter. Proposals for any change of use of a mobilehome park, other than conversions to ownership, shall be reviewed in conformance with the definitions, rules and standards in City Council Policy

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COUNCIL POLICY

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EFFECTIVE DATE	REVISED DATE	
APPROVED BY COUNCIL ACTION	<u>DRAFT</u>	

BACKGROUND

“Immobile” Homes on Rented Land

Mobilehomes may look like single-family detached houses, but in most cases they are manufactured (factory-built) homes installed in mobilehome parks that may or may not be affixed to a foundation. Unlike other homes where the home-owner owns the land or at least the airspace, the land beneath the mobilehome is, typically, not owned by the purchaser of the mobilehome. The mobilehome owner pays space-rent to the mobilehome park owner for the privilege of use of the space. Mobilehomes have purchase prices that are substantially less than single-family detached houses due to mobilehomes’ factory construction and non-ownership of the land. The result is a hybrid type of housing arrangement, where the resident owns the housing unit, but leases or rents the land on which the housing unit is placed. This arrangement might not be so challenging to set up or maintain if the mobilehome owner could easily move to another mobilehome park, but once a mobilehome is installed in one mobilehome park it is extremely difficult to move the mobilehome to another mobilehome park. In particular, older mobilehomes that are not constructed up to current codes cannot be moved into another mobilehome park. Lack of available spaces in mobilehome parks throughout the region could severely limit the ability to relocate mobilehomes. For practical purposes, the immobility of mobilehomes means if a mobilehome park converts to another use, the mobilehome will very likely be destroyed, the mobilehome owner will lose that significant asset, and any compensation that the mobilehome owner recovers will be that provided in accordance with State and local law.

Parks in San José and the Surrounding Area

San José has had mobilehome rent control since 1979. Approximately 10,800 mobilehome park spaces received plumbing, electrical, and sewer permits on or before September 7, 1979 and are thus subject to rent control under San José Municipal Code Chapter 17.22. This rent control ordinance allows automatic annual rent increases of 75% of the Consumer Price Index (CPI), but not less than 3% or more than 7%. San José’s rent control ordinance also imposes vacancy control that limits rent increases when a mobilehome is sold, which allows residents to protect their investments. Although according to staff’s research in Fall 2015 there were approximately 21,750 mobilehome spaces in the Santa Clara, Alameda, San Mateo and Santa Cruz counties (the four-county area) surrounding (but not including) San José, only approximately 9,700 of them were rent-controlled spaces.

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Park Residents in San José

San José's mobilehome parks are occupied by a variety of individuals and families, including low-income or fixed-income seniors and families. Most residents are owners of their mobilehomes. Additionally, since the ordinance regarding mobilehome park conversions (the Ordinance), now in Chapter 20.180, was adopted in 1986 as an ordinance amending Title 20 (the Zoning Code) of the San José Municipal Code, many more mobilehome park residents have limited English proficiency.

Decreasing Number of Spaces for Relocation

No new mobilehome parks have been built in the City of San José in the last 30 years, and few new mobilehome parks have been built in the State during this time. According to data from the State Department of Housing and Community Development in the last 15 years, approximately 900 mobilehome spaces have been lost in the four-county area due to park closure. As housing and land prices increase, it is reasonable to assume these losses may escalate making it more difficult over time to relocate residents to mobilehome parks in San José and even within the four-county area addressed in Chapter 20.180.

Inability to Afford Available Mobilehomes

As housing costs and land values escalate, interest in mobilehome park conversion to other uses increases, as does demand for rent-controlled mobilehome park spaces. Mobilehomes available for sale and vacant spaces in the City of San José rent-controlled mobilehome parks are unlikely to be sufficient to address the demand created by closure of a relatively large mobilehome park, and unless new parks are constructed this imbalance will increase as mobilehome parks close in the four-county area.

Based on the data submitted to the Housing Department over the last several years, space-rents in the City of San José's mobilehome parks are typically between \$550 and \$1550 per month. Mobilehome owners who have occupied their mobilehome parks for a long period of time are more likely to have lower rent. Thus, even if the lower-income or fixed-income mobilehome park residents are able to find a mobilehome to purchase in another San José mobilehome park, their incomes may not allow them to meet the other mobilehome park's income requirements because space-rent and the mortgage for the purchased mobilehome will be more than their monthly costs were in their previous mobilehome park location. Consequently, it may be challenging to mitigate the economic impact of conversion and relocation on lower-income and fixed-income mobilehome owners.

Existing Conversion Ordinance

Under Section 20.180.630 of Chapter 20.180 of the Zoning Code, when a mobilehome park owner files an application for mobilehome park conversion, the mobilehome park residents become eligible for benefits under the required program of relocation and purchase assistance. Since this Ordinance was adopted in 1986, there has not been a conversion of a mobilehome park to another use in the City that has been subject to the conversion provisions in the Zoning Code. Over the last several years, several questions have arisen regarding mobilehome

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park conversion requirements and procedures under Chapter 20.180. Staff has concluded that several of the procedures and definitions would benefit by additional clarification.

Council Direction

The City is concerned that conversions of existing mobilehome parks in the City of San José to other uses may result in (a) the permanent displacement of a substantial number of mobilehome residents, (b) the risk of homelessness for lower-income mobilehome residents due to the inability to afford and qualify for available mobilehomes in San José, (c) the loss of a large amount of relatively affordably-priced housing, (d) the reduction of housing-type choice, and (e) the destruction of established residential communities. The City is also concerned that there is a lack of clarity regarding a sufficient program of relocation and purchase assistance.

As land and housing prices have escalated, there have been more questions to staff regarding mobilehome park conversion requirements and procedures. At least one mobilehome park owner has indicated to the residents of that mobilehome park an interest in converting to another use. As a result of this interest, in 2014 many mobilehome park residents expressed concerns about potential displacement from their homes, and asked the City Council to strengthen regulations for the preservation of existing mobilehome parks and the protection of mobilehomes as affordably-priced housing. In response, the City Council directed staff to prepare a Council Policy to further clarify the provisions in Chapter 20.180 and provide additional guidance for the review of applications of mobilehome park conversion to other uses as described herein.

GUIDING PRINCIPLES

As stated in Chapter 20.180, proposed conversions of mobilehome parks to other uses (conversions), should only be approved when findings can be made that the following guiding principles are furthered by such approval:

1. Make adequate provision for the housing needs of all economic segments of the community;
2. Facilitate resident ownership of mobilehome parks, while recognizing the need for maintaining an adequate inventory of rental space within mobilehome parks;
3. Provide a reasonable balance between mobilehomes and other types of housing;
4. Inform prospective conversion purchasers regarding the physical conditions of the structures and land offered for purchase; and
5. Reduce and avoid the displacement of long-term residents, particularly senior citizens, people with disabilities, those who are of low-income, and families with school-age children, who may be required to move from the community due to a shortage of replacement mobilehome housing.

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PURPOSE

The purpose of this City Council Policy (Policy) is to provide clarification regarding how the above principles should be implemented on a project-specific basis so that the City's decisions on proposed conversions are consistent with these guiding principles.

POLICY

1. Clarification of Certain Definitions in Chapter 20.180

- a. "Designated Resident Organization" as described in Section 20.180.110 should be interpreted to include any association formed by the residents that has provided the owner or manager of the mobilehome park written notice of the name and address of the organization and the name and address of the representative of the organization to whom all notices under Chapter 20.180 shall be given. An association may be formed at any time, but for the purpose of negotiating to purchase the park, written notice of the exercise of this right shall be provided to the park owner within sixty days of the date of issuance of the notice of intention to convert. There may be more than one such association. If there is at least one Designated Resident Organization representing at least 10% of the spaces, then any association representing less than 10% of the spaces shall not be considered Designated Resident Organizations.
- b. "Mobilehome" should be interpreted to include all structures meeting the criteria in California Civil Code Section 798.3 including trailers, motorhomes, recreational vehicles or similar units, as may be amended from time to time.
- c. "Handicapped Mobilehome Owner" should be interpreted to include all persons who are disabled under State disability law and the Americans with Disabilities Act.
- d. "Good Faith Negotiations" should be interpreted to include the following characteristics:
 - i. Sufficient information provided to each Designated Resident Organization so that the value of the mobilehome park as a mobilehome park can be established. The mobilehome park owner may require such information to be held in confidence by a third party.
 - ii. A detailed response by the applicant within the 180 day period based on the price and terms in the offer should be provided to any written offer by any Designated Resident Organization provided within 15 business days.
- e. The definition of "Mobilehome park conversion of use" should not be interpreted to exclude projects described as "park closure" from the requirements of Chapter 20.180.

2. Clarification of Standards for Program of Relocation and Purchase Assistance

In evaluating whether a satisfactory program of relocation and purchase assistance has been provided the following considerations should be taken into account:

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- a. Appraiser hired by the mobilehome park owner should be acceptable to the Designated Resident Organization(s). On request of the mobilehome park owner, any objecting Designated Resident Organization should provide a list of at least three appraisers acceptable to the Designated Resident Organization. In the event more than one such Designated Resident Organization objects, the Designated Resident Organizations must jointly provide a single list to the mobilehome park owner.
- b. Appraisals should list in-place value of mobilehomes, both current and prior to any public discussion or communication regarding sale or conversion of the mobilehome park and should contain the elements described in item 3 below.
- c. The consultant(s) hired by the mobilehome park owner to provide the Relocation Impact Report (RIR) should be acceptable to the Designated Resident Organization(s). If the Designated Resident Organization rejects the mobilehome park owner's candidate it should provide a list of at least two consultants with specialized experience in the preparation of such reports that are acceptable to the Designated Resident Organization(s) to the mobilehome park owner. In the event more than one such Designated Resident Organization objects, the Designated Resident Organizations must jointly provide a single list to the mobilehome park owner.
- d. No unjust or unreasonable evictions should have occurred and no residents should have been coerced to sell without relocation benefits.
- e. All sales occurring after the delivery of notice of intention pursuant to Section 20.180.340 but before the application is filed should include a signed statement acknowledging that by selling the unit prior to the filing of the application, the mobilehome owner is waiving the benefits under the program of purchase and relocation assistance. The mobilehome owner may not waive benefits for renters occupying the units.
- f. For any eligible mobilehome owner whose home cannot be relocated to a comparable mobilehome park in the City of San José or relocated to another mobilehome park chosen by the mobilehome owner, the program of relocation and purchase assistance should provide the mobilehome at 100% of its in-place value consistent with Section 20.180.430.1.e as determined by the selected appraiser.
- g. A program of relocation and purchase assistance should provide payments for the costs of relocation and purchase assistance listed in the contents of the RIR as described in item 3 below, as that are applicable in each resident's circumstances. The applicant should provide a fair and transparent process for appeal of the determination of applicable assistance.
- h. A program of relocation and purchase assistance should provide sufficient subsidies and other measures to allow residents to find other adequate, safe housing priced at a level that does not create a housing burden. Pursuant to the City of San José's Housing Element for 2014-2023, housing costs that do not create a housing burden are housing costs that do not exceed 30% of gross income.
- i. A program of relocation and purchase assistance should provide for payment of the costs to reinstall or replace any accessibility improvements made to a resident's mobilehome

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and surrounding area such as wheelchair ramps, lifts, and grab-bars. Such payments should be provided to displaced residents who made such accessibility improvements.

- j. It is desirable that conversion projects with proposed residential uses contain housing that is affordable to all income levels of existing residents and provide a first priority opportunity to purchase or rent such units to existing residents. Units with rents and purchase prices restricted by recorded covenants will be considered desirable for mitigation of relocation impacts to lower-income residents.
- k. The above standards may be waived, adjusted, or reduced if an applicant shows, based on substantial evidence, that applying the standards in this Policy would take property in violation of the United States or California Constitutions.

3. **Clarification of Standards regarding Contents of RIR to supplement requirements in Section 20.180.630 of the Zoning Code.** In evaluating whether the RIR provided is consistent with a satisfactory program of relocation and purchase assistance, the following considerations should be taken into account:

- a. The RIR should identify space vacancies and units for sale, including price and space rent, and required purchaser income (if available) in the Santa Clara, Alameda, San Mateo, and Santa Cruz counties (the four counties) and should indicate which, if any, may be subject to rent stabilization ordinances. If the number of available rent-stabilized mobilehome park spaces in the four counties is fewer than the number of mobilehomes in the subject mobilehome park that are eligible for relocation, then a list should be provided of comparable mobilehome parks within a 100-mile radius of the subject mobilehome park and for each such mobilehome park, the space-rents, whether the park is rent-stabilized and the qualifications for residency in each mobilehome park (e.g., age restrictions, no pets, minimum income), whether the mobilehome park has any available space and will accept mobilehomes being relocated and, if so, any restrictions such as size and age, on the relocated mobilehomes that would be accepted.
- b. The RIR should indicate number of residents in the following categories: earning less than 30% Area Median Income (AMI), 50% AMI and 80% AMI, disabled under State or Federal definitions or by declaration of the resident; senior citizens; and families with minor children.
- c. The RIR should discuss space-rent affordable for residents in the above 80% AMI and the various lower-income categories, assuming that space-rent plus typical mobilehome mortgage does not exceed 30% of income.
- d. The RIR should indicate the difference between the actual cost of housing available to the residents in the four counties (actual market rent) and the Federal Department of Housing and Urban Development's (HUD) fair market rent, and if this difference is more than 5%, the RIR should adjust the subsidies to reflect actual market rent. The rent subsidy should be the difference of rent paid by the resident in the mobilehome park and any higher rent for either a space at another mobilehome park if the mobilehome is relocated, or rent for comparable housing if the resident moves to other rental housing.

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- e. The RIR should include a discussion of measures available to ensure residents have options to relocate to housing that will be affordable once the rent subsidy is no longer available. Such measures might include provision of affordable housing (rental or for-sale) in the proposed conversion project, provision of additional mileage and other benefits needed for a move outside of the four counties, and phasing of resident relocation to allow residents to find new housing within their means.
- f. The RIR should list the other mobilehome parks that are in the closure/conversion process in the four counties and their size. The RIR should also list the mobilehome parks that have closed in the period commencing six months prior to the notice of intention in the four counties, and the outcomes (e.g., new city of residence, rent and space rent) for the former residents of those closed mobilehome parks.
- g. At a minimum, the RIR should include the following information with monetary values determined by the selected appraiser:
 - i. A description of proposed new use(s) for the subject site including, but not limited to appraisals of the mobilehome park site with the proposed uses on-site, and appraisal of the most profitable use of the mobilehome park site;
 - ii. A proposed timetable with phases of relocation of existing residents and development of the new project delineated for conversion of the subject mobilehome park to another use;
 - iii. A legal description of the mobilehome park; and
 - iv. The number of spaces in the mobilehome park.
 - v. For each space in the mobilehome park:
 - 1. The size in square feet, type (e.g., single-wide, recreational vehicle, stick-built), number of bedrooms, manufacturer, and date of manufacture of the mobilehome on the space, or if space is unoccupied indicate date of last occupation;
 - 2. The number of occupants of the mobilehome and their length of residency in the mobilehome park;
 - 3. The total monthly space rent currently charged for each space with detail showing the space rent, utility charges, and any other charges paid by the resident to the park owner;
 - 4. The in-place value the mobilehome would have if the mobilehome park were not being closed; and
 - 5. Any improvements to the mobilehome, including but not limited to patios, porches, pop-out rooms and any recent major improvements to the home, including but not limited to a new roof or new siding.
 - 6. Any information available to the mobilehome park owner concerning any disability or special need of the occupants, which may be kept confidential by the City.
 - 7. An appraisal of the mobilehome park site if continued in use as a mobilehome park; and

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8. An appraisal of the mobilehome park site if used for the highest and best use allowable under the existing General Plan land use designation for the subject site; and
 9. If the appraiser identifies lack of maintenance, or deterioration of the subject mobilehome park that negatively affects the value of a mobilehome, the appraiser should determine the value of the home with an upward adjustment in value as needed to eliminate the negative effect in value caused by the lack of maintenance or deterioration.
 10. The purchase price of mobilehomes with similar size, age and number of bedrooms in comparable mobilehome parks including rent-controlled mobilehome parks. For this purpose, "comparable mobilehome park" means a mobilehome park that is similar in size, age, condition, and amenities to the mobilehome park that is proposed for closure, is located within a community similar to that in which the subject mobilehome park is located, and has similar access to community amenities such as the job market where a displaced resident is employed, schools, shopping, medical services, recreational facilities, and transportation.
- h. The RIR should also enumerate the costs of obtaining other comparable housing for rent and for sale, including but not limited to the purchase price of comparable condominiums and the costs of moving into a comparable house or comparable apartment, including such items as first months' rent, security deposits and higher mortgage and Homeowner Association fee payments or rent of the comparable housing. The moving costs should include the cost to move furniture and personal belongings, temporary lodging, moving insurance, and the appraised value of personal property that cannot be reasonably relocated. For this purpose, "comparable housing" is defined as housing that meets or exceeds the minimum standards of the Housing Code, and is similar to the subject home in terms of rent, size, number of bedrooms and bathrooms, proximity to the resident's place of employment, amenities, schools, and public transportation.
- i. The RIR should also include estimates from two moving companies acceptable to the Designated Resident Association that are licensed and bonded to move mobilehomes on public streets and highways, of the cost of moving each mobilehome in the mobilehome park up to a maximum distance of 100 miles, including transportation to the new site identified by the resident, the cost of permits, and tearing down and setting up the mobilehome at the new location, including the cost of any upgrades to comply with applicable Federal, State, and local building, plumbing, electrical, housing, mobilehome park, accessibility, and health and safety regulations, and the cost of moving any improvements, including but not limited to patios, porches and pop-out rooms, reinstallation, replacement or reconstruction of blocks, skirting, shiplap siding, porches, decks and awnings, earthquake bracing if necessary, insurance coverage during transport, and utility hook-ups, and any upgrades required by the mobilehome park or State or local law.

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4. **Procedural Guidance.**

- a. ***Pre-application Voluntary Agreement regarding Purchase.*** Prior to submitting an application for conversion of a mobilehome park, mobilehome park owners may enter into a voluntary agreement with the mobilehome owners for relocation-impact and purchase-assistance that best addresses their particular situation. Mobilehome owners should have legal representation in the negotiation of such agreements.

- b. ***Translation of Documents related to Notice and Relocation Benefits.*** Consistent with the City Housing Department and State policy, translated notices of intention, notices of rights, mobilehome purchase offers, and descriptions of relocation and purchase assistance benefits should be made available by the mobilehome park owners on request for limited English proficiency mobilehome residents and owners or their representatives. Such translations should be available in Spanish, Vietnamese, Chinese, Korean, and Tagalog. All documents provided in English should provide clear information in those languages on how to obtain translated copies.

- c. ***Voluntary Agreement regarding satisfaction of Negotiation Requirements Allowed.*** If the Designated Resident Organization(s) and the mobilehome park owner agree in writing that negotiations required under Section 20.180.390 have occurred, the City may determine that the requirement for negotiations has been met prior to the initiation or completion of the 180-day negotiations period required by Section 20.180.390.

FAIR HOUSING LAW PROJECT

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November 12, 2015

Via Electronic Mail

Housing and Community Development Commission

San José City Hall

200 East Santa Clara Street

San José, CA 95113

**Re: HCDC Meeting, November 12, 2015
Agenda Item "e," Mobilehome (Preservation) Strategy**

Dear Chair, Vice Chair and members of the HCDC:

The City Council has tasked the Planning and Housing Departments with evaluating and proposing changes to San José's land use regulations, including to the Mobilehome Conversion Ordinance, to further the City's goal of preserving its 59 mobilehome parks. San José's 59 parks are a source of affordable homeownership housing for approximately 35,000 residents, many of whom are senior, disabled and low-income.

As we have recommended in prior correspondence, the City must adopt a comprehensive policy of mobile home park preservation. Such a policy should include amendments to both the General Plan and to the zoning of mobilehome parks in order to encourage the preservation of this important land use in San José. And, in the event that a mobilehome park owner does seek to convert a mobilehome park to another use, the City must condition that conversion on mitigation measures that, at a minimum:

1. Compensate mobilehome park residents for the loss of their investment in their mobilehomes;
2. Ensure that displaced residents receive sufficient relocation benefits to allow them to relocate to comparable housing in the same or a comparable community; and
3. Mitigate the loss of affordable housing on the larger community.

With these goals in mind, we submit the following policy recommendations for consideration by the Commission.

I. Background

The City's Mobilehome Conversion Ordinance is approximately 30 years old, and many mobilehome park residents are confused by what it requires. They also fear that if triggered, San José's conversion ordinance will result in their rapid displacement from their long-time neighborhoods or even in their becoming homeless.

In furtherance of their workplan, over the summer staff elicited comments from the community regarding how San José could strengthen its mobilehome protections. Comments submitted by the public powerfully relate the value of preserving mobilehome parks, which provide a unique source of ownership housing that adds to our diverse housing stock. These comments, and staff's previous memos, also highlight several of the critical impacts that the loss of this housing will have on displaced residents and the community at large.

After conducting further research and considering the community's comments, during HCDC's meeting staff will present their November 6, 2015, memo and recommendations. Among other things, staff will discuss their General Plan text amendment recommendations, and they will request that the Housing and Community Development Commission (HCDC) provide comments regarding this and other matters, including a proposal for creating a Council Policy (in place of substantially amending San José's existing Mobilehome Conversion Ordinance).

We appreciate staff's recommendations for how to improve the City's policy toward preserving mobile home parks. However, we are concerned that other recommendations put forth by the public have not been thoroughly analyzed by staff. In some instances, staff has pre-determined that some of the public's recommendations are too budget or staff intensive to be undertaken, despite being the potentially better vehicles for accomplishing the City's established preservation goals. We are also concerned that staff is recommending the creation and adoption of a Council Policy (in place of amending the Mobilehome Conversion Ordinance) without first advising the public what, specifically, can and cannot be realized through a Council Policy. This approach denies the public, Commissions, Council Committees and the Council, the ability to thoughtfully weigh their options about which approach to take.

II. Policy Recommendations

A. General Plan Changes

For more than one year, the Law Foundation has advocated for the adoption of a specific General Plan designation for mobilehome communities and a No Net Loss policy. As discussed in more detail below, we continue to advocate for these changes. However, we also support staff's other recommended General Plan changes, and believe that the creation of a specific General Plan mobilehome designation, the creation of a No Net Loss policy, and other General Plan text amendments will better position our City to preserve its 59 mobilehome parks.

1. Create a General Plan Designation and No Net Loss Policy

Currently, San José has no General Plan designation for mobilehome parks. Although most mobilehome parks are designated as "Residential Neighborhood," others do not have residential designations.¹ These other parks carry designations for industrial and

¹ City of San José, San José General Plan Map. February 3, 2014, available at <https://maps.google.com/gallery/details?id=zLATztx267ok.kKIN6ctRSWZc&hl=en>.

commercial uses.² The City should rectify this problem by amending its General Plan to include and apply this designation.

At the same time, the City should amend the General Plan to establish a policy of "no net loss" of land zoned for mobilehome use. The City should use San José's existing industrial lands policy as a context and example for an effective anti-conversion policy relating to mobilehome parks.³ This policy enables the City to preserve its valuable employment lands in order to promote economic growth. The vehicle for this policy is a series of clear statements in San José's General Plan which integrates the industrial lands policy with many of the General Plan's broad goals and policies.⁴ Council should take a similar approach here, using the General Plan as the vehicle for preserving mobilehome parks.

We continue to recommend that the City move forward with this approach, since staff's own analysis in their November 6, 2015, memo is that a General Plan (overlay) designation could protect mobilehome communities from conversion. However, in light of staff's statement that major constraints to undertaking this approach are insufficient budget and staff resources, at a minimum, we ask the Commission to recommend that staff estimate the necessary staff time and budget to create these so that the Council may evaluate whether this approach should be undertaken.

2. Specific Amendments to General Plan Policies and Programs that Strengthen Preservation Goals

Although not as protective as the creation of a no-net loss policy or application of a specific mobilehome park designation, staff has proposed several intriguing General Plan text amendments that, if adopted, may help San José maintain an affordable and diverse housing stock, which includes mobilehomes. We support staff's proposals (described at page 5 of their November 6, 2015, memo) to add General Plan text to strengthen our goal of preserving mobilehome communities and other sources of affordable housing located in Urban Villages while preservation can be comprehensively addressed during the Urban Village Planning process. In furtherance of these proposals, we believe that several of the goals and actions that staff have drafted will promote critical analyses that are needed prior to any park conversion and potential displacement of our community members. In addition to these, we recommend that

² Three parks are designated as Combined Industrial/Commercial, 5 are Heavy Industrial, 2 are Light Industrial, 3 are Neighborhood/Community Commercial, and 45 are Residential Neighborhood and Urban Residential. Many of these General Plan Designations are inconsistent with the land's zoning designations.

³ Sunnyvale and Santa Cruz serve as examples for two approaches to a "no net loss" policy. Together Sunnyvale's Housing Element and General Plan take an approach that preserves the amount of mobilehome park acreage within the City through the City's policy to "maintain at least 400 acres of mobile home park zoning." Sunnyvale currently has 413.45 acres of mobilehome park zoning, making the "400 acre" policy effectively a no net loss policy. Alternatively, Santa Cruz implements a "no net loss policy" by preserving its current number of mobilehomes through a similar provision in its Housing Element, which expresses the goal to "Maintain current mobilehome [...] conversion regulations to preserve 360 mobilehomes in parks in the community."

⁴ Envision San José 2040 General Plan, Chapter 1, pp. 17, 29, and 42; Chapter 2, pp. 4 and 19; and Chapter 6, pp. 5 and 11; available at <https://www.sanjoseca.gov/DocumentCenter/Home/View/474>.

other proposed amendments be clarified, expanded and/or strengthened to ensure that their purpose is achieved. We have identified other goals that can be amended to further preserve our 59 mobilehome communities. More specifically, in addition to several of staff's recommended General Plan text amendments (at H-1.1, H-1.8, H1.10, General Land Use Goal LU-2 - Growth Areas, Implementation Policy IP-5.1(2), and Implementation Policy IP-5.7), we ask that the Commission also support and recommend the following changes (as underlined):

Goal H-1 Housing - Social Equity and Diversity

H-1.3 - Create, preserve, and rehabilitate housing opportunities and accessible living environments that allow seniors to age in place, either in the same home, assisted living facilities, continuing care facilities, or other housing types within the same community.

H-1.9 - Facilitate the development, preservation, and rehabilitation of housing to meet San José's fair share of the County's and region's housing needs.

Actions H.1.11 Housing – Social Equity and Diversity

H-1.16 ~~Encourage~~ Require that all proposed conversions of mobilehome parks to other uses to include mitigation measures that provide displaced residents with housing options that are affordable and equivalent, including but not limited to their location and amenities, once any short-term subsidy has elapsed.

H-1.17 Develop and fund a program to educate and support mobilehome park residents so they may create associations to further the City's goals of maintaining high quality living environments and park preservation.

Implementation Goal IP-5 – Urban Village

Use new proposals for residential, mixed use, or employment development to help create walkable, bicycle-, and transit-friendly "Urban Villages" (also referred to as "Villages" within the Envision General Plan) at strategic locations throughout the City, and to enhance established neighborhoods, including existing mobilehome parks. In new Village development, integrate a mix of uses including retail shops, services, employment opportunities, public facilities and services, housing, places of worship, and other cultural facilities, parks and public gathering places.

Policies – Urban Village Planning

Implementation Policy IP-5.4

Prepare and implement Urban Village Plans carefully, with sensitivity to concerns of the surrounding community, residents, and property owners and developers who propose redevelopment of properties within the Urban Village areas. Urban Village Plans must protect

against the displacement of low- and moderate-income tenants and mobilehome park residents who live in the Urban Village, and they must also plan for the mitigation of the loss of any mobilehome housing, rent controlled housing, and other affordable housing options that are lost to the community as a result of redevelopment. As part of the Urban Village Planning process, outreach to and community meetings for residents who face displacement, particularly those in mobilehome communities and multifamily housing, must be conducted.

B. Zoning Changes

In addition to amending the City's Mobilehome Conversion Ordinance, which is part of the Zoning Code, for more than a year we have advocated that the City uniformly zoning all parks R-MH. However, staff has recommended other Zoning Code changes, and we believe that doing both - uniformly zoning all parks R-MH and adopting staff's recommended Zoning Code changes - will help San José achieve its goal of preserving its 59 mobilehome communities.

1. Uniformly Zone Mobilehome Parks Throughout the City

San José has an R-MH mobilehome zoning designation which reserves some lands for mobilehome park uses.⁵ Currently, one third of the City's 59 mobilehome parks are not zoned R-MH.⁶ Updating the zoning on mobilehome parks would both demonstrate the City's commitment to mobilehome preservation and enable consistent regulation of R-MH lots. The City should update every mobilehome park to the R-MH designation to help ensure that these lands may only be used as mobilehome parks. Staff has stated that this approach could protect mobilehome parks from conversion to other uses, but it also cited a lack of budget and resources to undertake this approach. We continue to recommend that the City evaluate and implement this approach. However, at a minimum, we ask that the Commission recommend that staff quantify the necessary time and budget that staff needs to evaluate and undertake this approach so that it and the Council and its Committees may evaluate whether such action should be undertaken.

2. Ensure that the City Council Has Decision-Making Authority in Mobilehome Park Conversion Applications

Per the current Mobilehome Conversion Ordinance, the City Council is not expressly identified as a decision maker if a proposal to convert a mobilehome park is made via application for a Planned Development (PD) permit. This must be clarified, since the potential impacts on mobilehome park residents and the larger community is very significant. Staff is recommending that the Council be the decision maker for all proposed mobilehome park conversions, and we support this recommendation.

⁵ San José Municipal Code § 20.30.010(C)(4).

⁶ Thirty nine parks are zoned R-MH, 2 are Light Industrial, 2 are High Industrial, 4 are zoned R-I(PD), and 11 are A(PD). City of San José, San José Land Use Zoning Map. February 3, 2014, available at <https://maps.google.com/gallery/details?id=zLATztx267ok.kVtwO6CBAW10&hl=en>.

3. Require Specific Findings of Consistency with the General Plan in Conditional Use Permitting for Mobilehome Park Conversions

The City's General Plan is our plan for future development. As such, any change in use that potentially displaces hundreds of families (including those whose members are disabled, are at low- and moderate-income, and/or have members who are in school) will create considerable hardship. The impacts of such a potentially disruptive change must be analyzed to ensure that it aligns with our values and goals, specifically those contained in our General Plan's Housing Element. As such, we support staff's recommendation that findings (for consistency with the General Plan, particularly the Housing Element) for Conditional Use Permits should be required.

III. Strengthen the City's Mobilehome Conversion Ordinance's Requirements to Ensure Adequate Mitigation Measures for Displaced Residents and the Larger Community

While our ultimate goal—and the stated goal of the City—is to preserve mobilehome parks as a source of affordable housing for the individuals and families who live there now, as well as for our larger San José community, the City should also have a strong Mobilehome Park Conversion Ordinance that requires appropriate and adequate mitigation measures as a condition of any mobilehome park closure. The Mobilehome Conversion Ordinance (found at Chapter 20.180 of the Municipal Code) was enacted with the purpose of preserving this affordable homeownership type, but it is now decades old and has never been enforced. Its language is vague, and it provides little certainty to mobilehome park residents, park owners, or the community. We have advocated that the Ordinance should be amended to provide clarity and greater legal protections for displaced residents. However, with one exception,⁷ instead of amending the Conversion Ordinance, staff is recommending that Council pursue a Council Policy to clarify and effect the purpose of the Conversion Ordinance. In the following sections, we discuss our recommendations for strengthening the Conversion Ordinance, whether through amendments to the Ordinance, a City Council Policy, or both.

A. Staff should Analyze and Report to Council which Clarification and Updates can and cannot be accomplished through a Council Policy

In staff's November 6, 2015, memo, and at least one previous memo, staff has stated that although the Council Policy can clarify and effect the Conversion Ordinance, some clarifications and updates sought by stakeholders may not be realized through a Council Policy. Recommending the use and adoption of a Council Policy prior to creating a table that specifies which of stakeholders' clarifications and updates can and cannot be accomplished using a Council Policy is far from optimal. As such, we ask that the Commission recommend that staff

⁷ Instead of substantially amending the Mobilehome Conversion Ordinance, found at Chapter 20.180 of the Zoning Code, in their November 6, 2015, memo, staff are proposing to narrowly amend the Conversion Ordinance to add a new section that will enable the Council to adopt additional rules and regulations to implement the intent of the Conversion Ordinance and facilitate adoption of a Council Policy.

analyze and report back regarding which clarifications and updates can and cannot be accomplished through a Council Policy so that Council may be informed *prior* to selecting a path – Council Policy or Conversion amendments – to pursue.

B. Clarifications, Updates, and Amendments to the Mobilehome Conversion Ordinance That Should Be Incorporated

Although we may have additional comments as the process for clarifying the Conversion Ordinance continues, the Law Foundation takes this opportunity to present its recommendations, many of which have already been submitted, for clarifying, updating, and amending San José's Mobilehome Conversion Ordinance. Whether through amendments to the Ordinance, or via a City Council Policy that clarifies and elaborates on the existing Ordinance, the City should ensure that no mobilehome park conversion proceeds without mitigation measures that:

1. Fully compensate mobilehome park residents for the loss of their investment in their mobilehomes;
2. Ensure that displaced residents receive sufficient relocation benefits to allow them to relocate to comparable housing in the same or a comparable community; and
3. Mitigate the loss of affordable housing on the larger community.

With these goals in mind, we make the following policy recommendations.

1. Create a Realistic Opportunity for Park Preservation by Encouraging a Resident Purchase

The Ordinance seeks to encourage negotiation between park owners and park residents for the resident purchase of a mobilehome park before a proposed conversion can move forward. However, park residents may not be organized and must rely on the park owner to provide the financial information necessary to construct a competitive offer. To give park residents a chance to participate meaningfully in negotiations with the park owner, we suggest that the City:

- a. Require park owner and/or developer to provide more notice to residents (from 60 to at least 90 days) of owners' intent to convert the park;
- b. To promote good faith negotiations between the residents' association and/or its agent and the park owners and/or developers, well in advance of any negotiations between the parties require that park owners and developers to disclose ownership and maintenance and operating cost and other financial records, including those identified at 20.180.220 and 20.180.400(6), to any residents' association or non-profit organization that has the right to negotiate for purchase of the park.
- c. Extend timeframes for when meetings/negotiations for park purchase and mediation must occur. Currently, the residents' association must meet with the owner/developer soon after notifying them of their interest in purchasing the park, and mediation must occur soon after one of the parties requests it.

2. Fully Compensate Displaced Residents for the Loss of Their Homes

The benchmark for ensuring that residents are adequately compensated is requiring payment for the in-place value of their mobilehomes. In-place value takes into account not only the value of the structure itself but also its particular location. In-place value must be calculated to reflect the value of the home if the park were not closing. The City should set forth guidelines to ensure that in-place value is not impacted by the downward pressure the threat of closure creates on comparable sales in the park.

Because the in-place value will almost certainly be determined by appraisals, it is essential for the City to ensure that appraisals will be fair and not undervalue residents' homes. Based on our experience and review of other cities' ordinances, we believe that San José should:

- a. Make clear that City staff will select the mobilehome appraiser who will conduct valuations;
- b. Make clear that it is the developer, not residents, tenants, or the Association, who must pay for the initial appraiser and appraisals; and
- c. Make clear that if there is a dispute over the appraised value of a coach that resident has the right to obtain a second appraisal and that the higher valuation will be awarded to the resident.

3. Require Sufficient Relocation Benefits to Allow Residents to Move to a Comparable Home in the Same or Comparable Community

Mitigation measures should be sufficient to provide displaced residents with meaningful opportunities to relocate to similar homes in their same neighborhood or in a comparable community. Such relocation benefits should be structured so as not to limit displaced residents' housing choices. In considering relocation benefits, the Ordinance and/or the Council Policy should:

- a. Clarify that both mobilehome owners and tenants are eligible for relocation assistance;
- b. Ensure that residents receive sufficient relocation assistance so they may relocate to comparable housing in comparable communities;
- c. Ensure that relocation and purchase assistance are sufficient to enable residents to relocate to comparable housing that meets the minimum standards of the Uniform Housing Code, and is at least equivalent to the subject home in terms of long-term rent, size, number of bedrooms and bathrooms, and other relevant factors such as location and proximity to the resident's place of employment, amenities, network of support, medical providers, schools and public transportation;
- d. Increase the period for payment of the rent differential (from 24 months to 36 months);
- e. Ensure that moving and relocation costs encompass, but are not limited to, things like the cost to move furniture and personal belongings, rent for first and last month, security and pet deposits, and temporary lodging;

- f. Ensure that the moving companies from whom estimates will be obtained are licensed and bonded;
- g. Require a relocation specialist;
- h. Require that relocation and purchase assistance be timely provided to residents so that they may have ample time to secure replacement housing; and
- i. Require that park residents have the right to occupy replacement housing proposed at the site and that any construction schedule will not result in their long-term displacement.

4. Mitigate the Loss of Affordable Housing on the Larger Community

Because mobilehome park closures mean the loss of rare homeownership opportunities that are affordable for lower-income households, the Ordinance and/or Council Policy should include a 1:1 replacement requirement for these lost affordable homes.

5. Additional Recommendations

Following are additional recommendations that compliment and/or address our recommendations and goals identified above.

- a. Include a specific purpose or policy statement, in the Council Policy, Conversion Ordinance and/or in the General Plan, that a park owner cannot simply close a mobilehome park (as confirmed in the City Attorney's August 6, 2015, memo);
- b. Create an appeal process for individual residents to appeal their specific relocation benefits—even after the conversion has been granted;
- c. Provide examples to help residents identify owners' coercive acts, which are prohibited by the Ordinance. These can include posting undated notices of the owners'/developer's intent to convert the park, conducting inspections and requiring expensive repairs to coaches when the owner has never routinely conducted inspections and has announced their intention to close the park, and reducing services after residents have advocated at City Hall;
- d. Revise the definition of disability ("handicapped homeowner" in the ordinance) to that found in the California's Fair Employment and Housing Act;
- e. Specify when the Conversion Impact Report (CIR) will be prepared – prior to or concurrent with the development application;
- f. Require that a copy of the CIR be provided to each resident, resident association and their designated advocate(s);
- g. Ensure that the CIR is a robust and thorough analysis that verifies that sufficient, comparable housing is available for relocating residents and preventing displacement;
- h. Ensure that a proposed conversion will not result in the displacement of low-income individuals or households who cannot afford rents in other parks;
- i. Define which, if any, Committees and Commissions should consider the Conversion Impact Report;

Letter to the Housing and Community Development Commission
Re: HCDC Meeting, November 12, 2015
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- j. Condition approval of any mobilehome park closure on a set of requirements that ensures that the public's interests are not compromised;
- k. Include provisions to ensure that developers, including property owners, comply with all required mitigation measures, including for all forms of timely compensation and relocation payments; and
- l. Require property owners and developers to pay for 6 months of counseling services by licensed mental health services providers for all displaced residents who request these services.

Thank you for your attention and consideration. I welcome the opportunity to discuss the Law Foundation's letter with Commission members. I may be reached at 408-280-2448 or dianac@lawfoundation.org.

Sincerely,

/s/
Diana E. Castillo
Senior Attorney



Memorandum

TO: HOUSING & COMMUNITY
DEVELOPMENT COMMISSION

FROM: Jacky Morales-Ferrand

SUBJECT: SEE BELOW

DATE: January 7, 2016

Approved

Date

SUBJECT: MOBILEHOME “OPT-IN/STAY IN BUSINESS” CONCEPT

RECOMMENDATION

Discuss and make recommendation to the City Council on the Opt-in/Stay in Business concept for mobilehome parks.

OUTCOME

Recommendations provided by the Housing and Community Development Commission will be included in the information provided to the City Council as they consider next steps for the mobilehome park “Opt-In/Stay In Business” program concept.

BACKGROUND

The City Council has recognized mobilehome parks as an important source of housing for families, seniors, and other low and moderate income residents. To further the protection of mobilehome parks in the City of San José, the City Council directed staff to research and recommend possible amendments to the General Plan and Zoning Code, as well as other policy proposals.

On August 11, 2015 the City Council approved a workplan to advance three land-use related policy and ordinance changes: text amendments to the Envision San José 2040 General Plan (General Plan), amendments to Title 20 of the San José Municipal Code (the Zoning Code), and a new City Council Policy on the Conversion of Mobilehome Parks to Other Uses.¹ The City Council also directed staff to meet with stakeholders and park owners to discuss the “Opt-in/Stay In Business” proposal suggested by a group of park owners.

¹ For more information on these proposed land use changes please refer to the Planning Commission memorandum dated January 4, 2016.

These owners indicated that the City's Mobilehome Rent Ordinance was too onerous and made repair or replacement of aging infrastructure in their parks difficult to do while also operating their parks as a profitable business. Other park owner's stakeholders have commented that although their parks do make a fair return they have no reason to make new investments because those investments do not yield financial returns. Generally speaking, the Opt-in/Stay In Business concept would provide mobilehome park owners with incentives in exchange for making needed capital improvements and keeping their parks operating for approximately twenty years or through the implementation timeframe of the current General Plan.

Under the current Mobilehome Rent Ordinance, automatic annual space rent increases are limited to 75% of Consumer Price Index, with a 3% floor and a 7% ceiling. Park owners are allowed to "pass-through" capital infrastructure costs to park residents in the form of space rents above the annual allowable space rents. In order to obtain a pass-through, the owners must file a petition for a hearing at which a Hearing Officer will review the capital costs and determine the associated rent increases that may be charged to the residents. The Housing Department administers the Mobilehome Rent Ordinance through the Rental Rights and Referral Program. Staffing for the Mobilehome portion of the Program is funded through fees paid by park owners, of which 50% can be passed on to residents.

In the Fall of 2015, a group of park owners met with the Director of the Housing Department four times to refine the Opt-in/Stay In Business concept sufficiently for further discussion with stakeholder focus groups. A draft summary of the concept was posted on the Housing Department's webpage on November 23, 2015. It is included with this document as an attachment.

The objectives listed in the Opt-In/Stay In Business concept summary were to encourage mobilehome park owners to stay in business by providing them with economic incentives, to facilitate capital infrastructure improvements in aging mobilehome parks, and to provide housing stability for existing mobilehome residents for twenty years. The proposed economic incentives included an alternate capital improvement pass-through process in lieu of the existing petition process stated in the Mobilehome Rent Ordinance. The process currently in use requires park owners to substantiate capital expenses and determine how much of the costs can be passed through to park residents in the form of space rent increases. The park owner's concept would make it easier for owners to pass through capital improvement costs. The park owners' concept also includes a Capital Improvement Assistance Program whereby a portion of a park's low-income residents would not have to pay for an additional capital improvement pass-through.

In addition, the Opt-In/Stay In Business concept proposes allowing an increase to the rent (to market rate or a lesser amount) when a mobilehome owner sells their home to another owner-occupant and the home remains at its current space. This is not allowed under the Mobilehome Rent Ordinance. The park owners' concept proposes that implementation of their proposal would be overseen by the Housing Department and funded with full cost recovery through fees paid by mobilehome park owners.

Stakeholder Input

In December 2015 and January 2016, City staff conducted two focus groups for park residents and two for park owners. A summary of the input received is provided below.

Mobilehome Park Owner and Representative Input

A total of 24 park owner representatives attended the focus group meetings and several others submitted written comments. The park owners' stated that many parks, especially older ones, have aging infrastructure and that it costs more each year to maintain versus replace infrastructure. Some park owners stated that 3% rent increases were insufficient to cover needed maintenance. Another participant indicated that capital improvement pass-throughs were not an attractive option given the current petition process. Several owners stated they would prefer to replace old infrastructure to lower their operating costs and to write off capital improvements on their income taxes. Attendees supported vacancy decontrol, which allows rents to be raised to market rate upon transfer or sale of a mobilehome. This is not allowed under the existing Mobilehome Rent Ordinance.

In a letter to the Mayor dated 12/23/15, a group of park owners who indicated that they represented half of all park owners in San José, stated that they were withdrawing from the "Opt-In/Stay In Business" public process citing concerns with the "draft Council Policy on the Conversion of Mobilehome Parks to Other Uses" that was posted on the Housing Department's webpage on December 10, 2015. No park owners participated in the second focus group meeting scheduled for January 4, 2015.

Mobilehome Park Resident and Representative Input

A total of 114 mobilehome park residents attended the focus group meetings. The majority of park residents who attended the focus group meetings and who submitted written comments opposed moving forward with the Opt-In Stay in Business concept. Many of these resident stakeholders expressed their opinion that this concept would mostly benefit park owners and offered few advantages to park residents. Attendees representing mobilehome park residents commented that a twenty-year commitment to stay in business as a mobilehome park was not sufficient. They stated that vacancy decontrol would decrease their home values, that the owner's proposal was complex and that it was clouded with too many unknowns. In addition some participants resented the idea of paying park owners more for maintenance that residents felt should have already been done, and the lack of transparency that an expedited pass-through approval would entail.

Input Summary

The following table summarizes the input received from mobilehome park owners and residents on the key concepts of the Opt-In/Stay In Business concept.

HOUSING AND COMMUNITY DEVELOPMENT COMMISSION

January 7, 2016

Subject: Mobilehome Opt-in/Stay In Business Concept

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	Park Owners Comments	Park Residents Comments
Who decides whether an owner can opt in?	Owners only. Should be all homes in a park to make it worthwhile.	An affirmative vote by the majority of park residents must be required.
Term:]	Some said 15 years was too long, others supported up to 20 years.	Many felt 20 years was not long enough for families and recently retired residents.
Easier Capital Improvement Pass-Throughs	Owners would no longer have to prove they are not receiving a fair return as required by the Mobilehome Rent Ordinance.	Concerns expressed that many residents cannot afford to pay more rent; Comments that it is unjust to make residents pay for improvements without considering if park owners are getting a fair return as required by the Mobilehome Rent Ordinance.
Capital Improvements – what is eligible	IRS guidelines are less subjective than the standards in the Mobilehome Rent Ordinance.	Concern that IRS guidelines are too open and that residents should have a say in what gets approved.
Resident Assistance to low income tenants for extra pass through costs	Assist up to 10% of homes in a given park	10% is not enough. Should be determined by need.
Increase Base Rent (Vacancy Decontrol)	Raise the rent by some amount when an in-place transfer occurs.	Concern it would lower the resale value of mobilehomes and make financing difficult. Concern it would lead to a net loss of relatively affordable housing stock.

ANALYSIS

The City Council directed the Housing Department to meet with park owners and residents to discuss the park owners' Opt-In/Stay In Business concept. After several meetings, it is clear that park owners and residents do not agree on many of the key elements of the concept and there is a need for additional specificity.

HOUSING AND COMMUNITY DEVELOPMENT COMMISSION

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Page 5

At the Community and Economic Development Committee meeting on January 25, the Housing Department will present the summary of the input as stated in this memorandum, plus additional input received from the January 14 Housing and Community Development Commission meeting. The Department will also seek direction from the Committee as to whether it should continue to work with stakeholders to further refine and analyze this concept or if the Department should cease work on this item.

PUBLIC OUTREACH

City staff posted information about the Opt-In/Stay In Business concept on the Housing Department's mobilehome park webpage and sent email blasts to more than 220 stakeholders. The Housing Department hosted two focus group meetings for park owners (12/3/15 and 1/4/16) and two for park residents (12/7/15 and 1/5/16). This item will be heard by the Community and Economic Development Committee on January 25 at 1:30 p.m. in City Hall Wing rooms 118/119. It is anticipated to be heard by the full City Council on February 9.

Jacky Morales-Ferrand
Director, Department of Housing

For questions, please contact Adam Marcus, Acting Policy and Planning Manager, at (408) 975-4451.

Attachments

Mobile home “Opt In” Stay in Business Option

Park owner agrees to remain in business for a minimum of 20 years and will keep the community opened in exchange for an ability to pass-through certain capital improvements in addition to obtaining a restricted vacancy decontrol allowance.

Program Objectives:

1. Encourage park owners (owners) to remain in business by providing an economic incentive to reinvest in their communities.
2. Provide owners with financial tools to make capital improvements in their mobile home parks.
3. Protect mobile home parks from conversion to other uses for a minimum of twenty years.
4. Provide safe, relatively affordable, sustainable communities for mobile home residents (residents).
5. Balance the economic incentives to owners with the goal of providing stability and relative affordability to mobile home residents.

Proposed Program Parameters

1. Eligibility: Any owner can voluntarily agree to participate in the program. Owners “opt-in” within one-hundred twenty (120) days of Stay In Business Ordinance adoption. The Ordinance would sunset June 2036.
2. Length of commitment to remain in business: An owner agrees to a minimum of a 20 year agreement/commitment.
3. Terms:
 - a. Capital Improvement Investments:
 - i. Capital improvements will be defined consistent with the IRS code.
 - ii. Capital improvements will be identified within the following categories:
 1. Pre-approved capital improvements
 2. Emergency capital improvements
 3. Annual capital improvements
 4. Resident requested capital improvements. A certain percentage of residents (to be determined) would need to approve the request for it to be eligible.
 - iii. A minimum investment per space or fixed amount, whichever is less, must be invested to obtain any increase in Base Rent as defined below. The minimum investment must be defined.
 - iv. The right to receive credit for the capital improvement would be subject to an administrative review by a City official qualified to evaluate capital improvement expenditures. Upon submittal for the credit, a 30 day review would be provided to both the City and residents.
 - b. Financial Incentives:
 - i. Residents would be assessed a monthly capital improvement pass-through fee for all capital improvements deemed eligible. The fee would be calculated based upon the amount of the capital improvement, amortized over time and divided by the number of mobile homes in the park.

1. A maximum annual cap would be established. The proposed cap is yet to be determined.
 2. The capital improvement assessment would be shown as a separate line item on the resident's monthly bill. The capital improvement assessment would not be added to the base rent. It would be removed once the improvement(s) has been fully re-paid.
- ii. Increase in the Base Rent – Owners that participate in the Opt-In program would have an ability to increase the base rents over and above the current rent when an in-place transfer occurs, provided that the current rent is consistent with all other than existing local and State ordinances. An in-place transfer means the sale of a home by an existing resident to a park approved purchaser. The amount of the base rent increase would be based on the level of capital investment made by the park owner. The increase would need to be defined. In addition to the increase in base rent, the new owner would be responsible for any existing capital investment pass-through(s) in addition to the base rent.
- c. Capital Improvement Assistance Program:
 - i. Income qualified residents who demonstrate that they cannot financially afford either all or a portion of the capital improvement pass-through assessment would be able to apply for assistance for all or a portion of the pass-through cost. If deemed, eligible, the resident would be assessed only the amount he/she could afford. The remaining amount would be paid by the owner.
- d. Administration
 - i. The program would be overseen by the Housing Department. Staff costs would be based on a one-hundred percent cost recovery fee charged annually to owners who participate in the program. The cost to administer the program cannot be passed through to residents. Administrative costs would be allocated based upon the number of spaces in the park.

1/4/16:

Nancy Creel

I live at Town and Country for 55+ and older. I want to voice my opposition against the Opt-In Stay IN Business. I am senior, I'm 62, I took care of my parents for 20 years, I'm not able to pay any more than what I'm paying now. If things went up, I would have no idea where I'd move. I have no relatives. I hope things don't turn in that direction. It is very uncomfortable to know you could be uprooted or priced out of where you are living now.

Reply all | Delete | Junk | ...



Fw: San Jose Mobile Home Opt-in for Business Proposal

NJ Nusbaum, Jenny

To: Marcus, Adam;

Reply all |

Wed 12/9/2015 2:41 PM

Inbox

You replied on 12/9/2015 2:56 PM.

I can't remember if I already forwarded this.

Jenny Nusbaum
City of San José, Dept. of PBCE
Planning Division
200 East Santa Clara Street, 3rd Floor Tower
San José, CA 95113
jenny.nusbaum@sanjoseca.gov
408-535-7872

From: Jean Gadano
Sent: Monday, December 7, 2015 11:15 AM
To: Nusbaum, Jenny
Subject: San Jose Mobile Home Opt-in for Business Proposal

Dear Ms. Nusbaum,
I'm writing to express concern over any changes to be made to my current living conditions. Like most seniors I'm on a very limited income, and I'm not in favor of any changes that could be a detriment to my current living conditions.

Thank you,
Jean Gadano





HOMETOWN AMERICA
C O M M U N I T I E S

November 25, 2015

Jacky Morales-Ferrand
Director, Housing Department
City of San Jose
200 E. Santa Clara Street, 12th Floor
San Jose, CA 95113

Dear Ms. Morales-Ferrand:

I am Stephen Braun, Co-President and Chief Operating Office of Hometown America. We have two communities in San Jose. Eastridge a 187 space community located at 1055 Quimby Road and Monterey Oaks a 334 space community located at 6130 Monterey Road. We have owned and operated both communities for over 11 years. We are a privately held company who intends on owning and operating these communities well into the foreseeable future.

Due to a scheduling conflict, it is unfortunate that I am are unable to personally join you at the "Opt In Stay In Business" MHP Owner Stakeholder meeting. However our local community managers will be there. That said, we are interested in learning more and seeing a specific written ordinance to evaluate. Please accept this letter as evidence of our interest in further exploring the "Opt In/Stay In Business" Ordinance. We're interested in staying in business and investing in our communities for an extended period of time provided there are reasoned economic incentives to do so. If an Opt In/Stay In Business Ordinance is created and adopted by the city council that incorporates reasoned economic incentives for our voluntary, contractual commitment to stay in business for a set period of time, we would certainly seriously consider opting in.

Regards,

Hometown Monterey Oaks and Hometown Eastridge
Stephen Braun, Chief Operating Officer
Hometown America
[REDACTED]

11/30/2015

Dear Ms. Nusbaum and Mr. Marcus:

My name is Peter Wang and I am the general partner representing a partnership owning several mobile home parks in the City of San Jose. I appreciate the city's approach to addressing the problems associated with the land use of mobile home parks. I am interested to appraise the "Opt In/Stay In Business" Ordinance for most of our properties but with one exception:

The mobile home park I would leave out "Opt In/Stay In Business" is called Mobile Home Manor at 1300 E. San Antonio Road. This park is located in a residential area close to E. Santa Clara Street and 101 Freeway. I see the potential of developing this site for Low Income Housing in the future.

Right next door to this park, a three-story apartment was built several years ago that became low-income housing for many San Jose residents. It is a clean and well-appointed housing community for many people.

Our mobile home park, however, was built in 1950 with 81 spaces. To call it a trailer park is much more appropriate because all we have there are old travel trailers and a few mobile homes that are more than thirty years old. Regardless of how much capital improvements, you will agree that redevelopment will be a better option. Instead of protecting this dated housing for our tenants and other eligible residents, it will serve our community well if we build something like next door.

Many mobile home parks probably are worthwhile to keep for the mobile home owners. If you happen to look at the Mobile Home Manor, however, you will agree with my assessment above.

I write to express my intent to work with the City to find a compelling housing solution for our community. While the Opt In/Stay in Business is a workable option for some, it has its limits and circumstances will change over time.

Regards,


Peter Wang





December 2, 2015

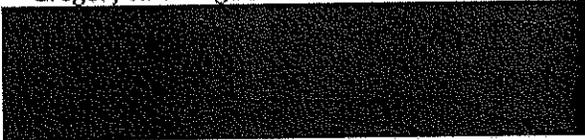
Dear Ms. Morales-Ferrand:

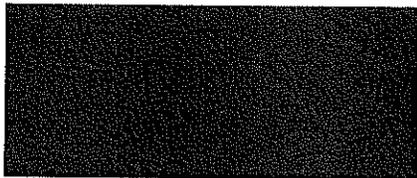
Thank you for extending an invitation to the "Opt-In/ Stay In Business" MHP Owner Stakeholder Meeting. Due to a scheduling conflict it is unfortunate that we are unable to join you. However, on behalf of Summerset Mobile Estates consisting of 112 spaces, please accept this letter as our interest in further exploring the Opt-In/ Stay In Business ordinance. We are interested in staying in business and investing in our community for the foreseeable future provided there are reasonable economic incentives to do so. If an Opt-In/ Stay In Business Ordinance is created and adopted by the city council that incorporates reasonable economic incentives for our voluntary contractual commitment to stay in business for a set period of time, we would certainly consider opting in.

Regards,

A handwritten signature in cursive script that reads "Gregory R. O'Hagan".

Gregory R. O'Hagan





December 1, 2015.

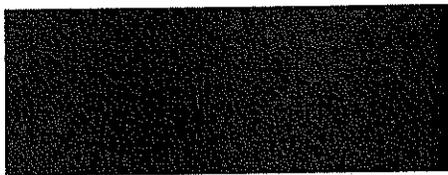
To Whom It May Concern,

Thank you for the opportunity to weigh in on the, "Opt-In, Stay in Business" concept that is being considered. I hope that our input will prove valuable to this process.

Our property, San Jose Trailer Park, is a family park consisting of 105 total units. My grandparents, Orris and Gennora Mabraten purchased our Park in 1973. For three generations we have owned and operated San Jose Trailer Park to the best of our ability. For more than 40 years we have consistently maintained a safe and affordable community for the residents that call it home. We treat our tenants fairly and with respect. The neighborhood has changed over the years, and is now a little rougher than it once was. Never-the-less we screen our tenants carefully, and we do all that we can to keep drug and gang problems out. We keep the streets clean and the buildings and fences freshly painted and free of graffiti. Residents have called our park a "safe haven" in our neighborhood. Please be patient, all of our self-congratulating is going somewhere.

Today we are faced with real problems. Our park was established in 1957, and most of our infrastructure systems are near the end of their useful lives. Our electric system is 30Amp, and utilizes archaic screw-in fuse technology. We have to be on the lookout for residents who attempt to tamper with our fuse boxes by placing a penny behind the fuse. This practice will bypass the fuse... meaning residents can use their microwaves, hairdryers, toasters and electric heaters all at same time without risk of blowing a fuse. Unfortunately, this also poses a fire hazard to themselves and the community at large. We do not make money on electricity. Most years we end up spending money out of pocket to purchase meters, maintain, and repair our system; yet we also assume the risk and liability of a utility company while PG&E reaps the profits. How this makes sense is a mystery to us. Our water and sewer systems are also in a constant state of upkeep and repair. In the 1990s my mother, Terrie Hansen, spent \$300,000 to replace our gas system and re-pave our roads. These upgrades improved the safety and aesthetics of our property for our residents, but unfortunately netted a 0% return on investment.

In addition, many of our rents are well below market value due to the City of San Jose Rent Control Ordinance. We estimate that our property is grossing about \$12,000 per month less than it would if our rents were brought to market value. We will leave the math to you as to how much revenue our family has lost over the years. Perhaps those funds could have served as an infrastructure fund? Still, we claim to be reasonable people and we understand the need to protect low income families, those with disabilities, senior citizens, etc. Some of our tenants

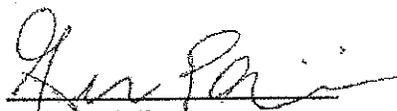


have known our family for three generations, and for those old-timers who have been with us for so long we are glad that they have been able to comfortably age in their homes on a fixed income. There are, however, glaring flaws in the Mobilehome Rent Ordinance. For example, one of our senior citizens, who shall remain anonymous, passed away in 2009. In the 36 years we had known her, nobody in our family could ever remember her to have family that she spoke of or visited with. A couple of days after she passed her son and daughter-in-law showed up wanting to sell, "their trailer". The rent was about \$250 per month below market value. They sold a 1960s model Spartan trailer that had a market value of \$1,500 for \$35,000 to a family whom they had never met before. As per the law, we received no rent increase and no compensation for the sale of the trailer, even though its value was clearly inflated due to its position on our land. To us, it this does not seem reasonable... yet this scenario has played out over and over again in all the mobile home parks throughout San Jose. We cannot think of another business or industry which restricts the proceeds of the proprietor while simultaneously allowing customers or outside parties to sell goods on the proprietor's property at elevated rates. Can you?

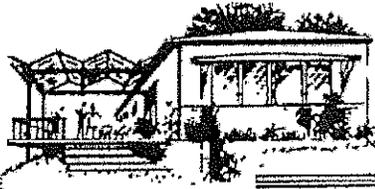
We have been in business in San Jose for a long time, but now we are faced with some tough choices. We would like to stay in business. We value our tenants and respect our role as landlords. We would love to upgrade everything... electric, water, sewer, storm drains, roads etc. We estimate the cost to be a shade over one million dollars for these upgrades. Let's say, for example, that we just found that million dollars. Under the current circumstances as described above, what is the incentive? All of those upgrades will net a 0% return to the property owner. Most rational people would opt for another investment that yields a solid return. Virtually all other commercial real estate owners are afforded the opportunity to convert their properties to a higher and better use when their systems and buildings deteriorate. In many cases in San Jose the land is worth more than the improvement upon it.

We hope that our comments have been useful, and that the City of San Jose will establish a new scenario which will entice MH Park owners to "Opt-In". Please do not hesitate to contact me at the phone number below with any questions.

Thank you,


Grover Phillips





December 3, 2015

Jacky Morales-Ferrand
Director, Housing Department
City of San Jose
200 E. Santa Clara Street, 12th Floor
San Jose, CA 95113

Dear Ms. Morales-Ferrand:

Due to a scheduling conflict, we are unable to join you at the "Opt-In- Stay-In Business" ordinance MHP Owner Stakeholder meeting on December 3, 2015. However, we are interested in learning more.

On behalf of General Trailer Sales Corporation, dba Town & County Mobile Village, consisting of 192 spaces, please accept this letter as our interest in further exploring the "Opt-In-Stay In Business" Ordinance. We are interested in staying in the mobile home park business and investing in our community for the foreseeable future provided there are reasoned economic incentives to do so.

If an Opt-In-Stay-In Business Ordinance is created and adopted by the city council that incorporates reasoned economic incentives and allows our voluntary contractual commitment to stay in the mobile home park business for a set period of time, we would certainly consider opting in.

Sincerely,

Richard F. Luker





November 25, 2015

Jacky Morales-Ferrand
Director, Housing Department
City of San Jose
200 E. Santa Clara Street, 12th Floor
San Jose, CA 95113

Dear Ms. Morales-Ferrand:

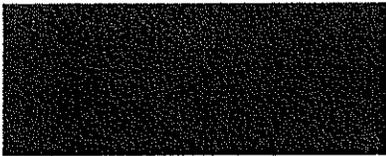
I am Stephen Braun, Co-President and Chief Operating Office of Hometown America. We have two communities in San Jose. Eastridge a 187 space community located at 1055 Quimby Road and Monterey Oaks a 334 space community located at 6130 Monterey Road. We have owned and operated both communities for over 11 years. We are a privately held company who intends on owning and operating these communities well into the foreseeable future.

Due to a scheduling conflict, it is unfortunate that I am are unable to personally join you at the "Opt In Stay In Business" MHP Owner Stakeholder meeting. However our local community managers will be there. That said, we are interested in learning more and seeing a specific written ordinance to evaluate. Please accept this letter as evidence of our interest in further exploring the "Opt In/Stay In Business" Ordinance. We're interested in staying in business and investing in our communities for an extended period of time provided there are reasoned economic incentives to do so. If an Opt In/Stay In Business Ordinance is created and adopted by the city council that incorporates reasoned economic incentives for our voluntary, contractual commitment to stay in business for a set period of time, we would certainly seriously consider opting in.

Regards,

Hometown Monterey Oaks and Hometown Eastridge
Stephen Braun, Chief Operating Officer





November 25, 2015

Jacky Morales-Ferrand
Director, Housing Department
City of San Jose
200 E. Santa Clara Street, 12th Floor
San Jose, CA 95113

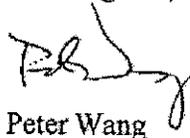
Re: Opt In Stay In Business MHP Owner Stakeholder Meeting

Dear Ms. Morales-Ferrand:

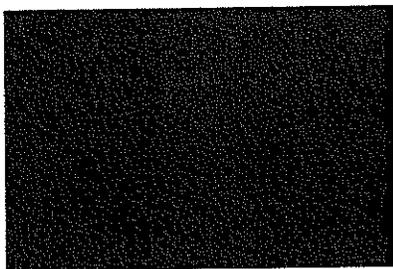
I am the representative of the owners and operators of the following four (4) mobilehome parks located in San Jose, California: Colonial Mobile Manor located at 3300 Narvaez Avenue which consists of 207 spaces, Foothills Mobile Lodge located at 655 S. 34th Street which consists of 102 spaces, Mayfair Trailer Park located at 1840 South 7th Street which consists of 54 spaces, and Mobilehome Manor located at 1300 E. San Antonio Street which consists of 81 spaces.

I am unable to personally join you at the "Opt In Stay In Business" MHP Owner Stakeholder meeting. Please accept this letter as evidence of ownership's interest in further exploring an "Opt In/Stay In Business" Ordinance. We are interested in staying in business and investing in our community(ies) for an extended period of time provided there are reasonable economic incentives to do so. If an Opt In/Stay In Business Ordinance is created and adopted by the city council that incorporates reasonable economic incentives for our voluntary, contractual commitment to stay in business for a set period of time, we would certainly seriously consider opting in. Of course, we would agree to participate and opt in.

Best Regards,



Peter Wang



December 3, 2015

Ms. Jacky Morales-Ferrand
Director, Housing Department
City of San Jose
200 E. Santa Clara Street, 12th Floor
San Jose, CA 95113

Dear Ms. Morales-Ferrand:

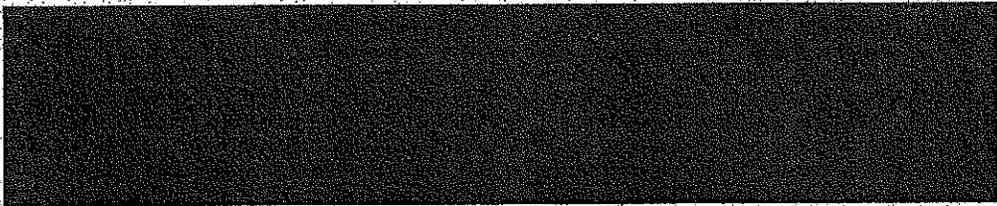


The Nicholson Family Partnership ("TNFP") is the owner of the underlying property which is land leased for Westwinds Mobile Home Park on North First Street. As the City of San Jose ("City") studies the issues and ramifications of Mobile Home Park ("MHP") rent control, closure and conversion, hopefully from the viewpoints of the owners and operators as well as the tenants, we think the concept of the "Opt In Stay In Business" Ordinance is a piece of the complex puzzle that deserves further study and consideration. If the City is trying to keep MHPs in place as the infrastructures are aging, there needs to be some economic incentives to ensure the MHPs can endure as an attractive asset to the City.

If an Opt In Stay In Business Ordinance is adopted that solves some of the existing structural economic problems, once our land lease restrictions have terminated, TNFP would certainly consider opting in. If you have any questions or wish to consult with TNFP, please feel free to contact our representative, Sean Morley with The Morley Bros. at 408-458-4440.

Very Truly Yours,
THE NICHOLSON FAMILY PARTNERSHIP


Bruce Nicholson

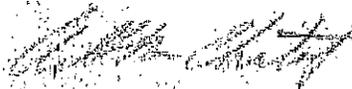


Jacky Morales-Ferrand
Director, Housing Department
City of San Jose
200 E. Santa Clara Street, 12th Floor
San Jose, CA 95113

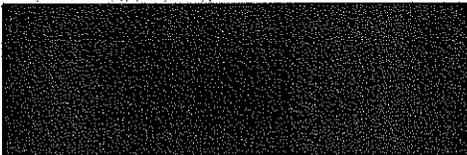
Dear Ms. Morales-Ferrand:

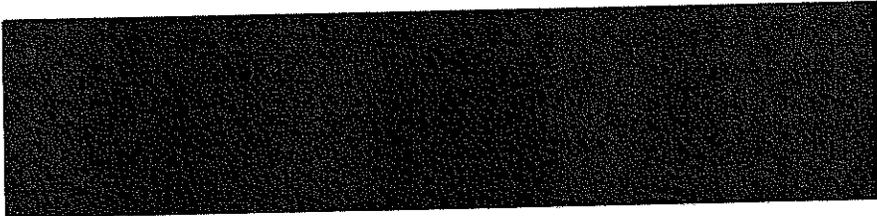
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Regards,



Art Chatoff





November 25, 2015

Jacky Morales-Ferrand
Director, Housing Department
City of San Jose
200 E. Santa Clara Street, 12th Floor
San Jose, CA 95113

Re: Opt In Stay In Business MHP Owner Stakeholder Meeting

Dear Ms. Morales-Ferrand:

My name is John Bovone and I am the partner of the business entity that owns and operates Ace Trailer Inn located at 2800 Monterey Road, San Jose, California. There are fifty seven (57) spaces in the mobilehome park. Due to a scheduling conflict, I am unable to join you at the "Opt In Stay In Business" MHP Owner Stakeholder meeting. That said, we are interested in learning more and seeing a specific written ordinance to evaluate. Please accept this letter as evidence of our interest in further exploring the "Opt In/Stay In Business" Ordinance. We are interested in staying in business and investing in our community(ies) for an extended period of time provided there are reasoned economic incentives to do so. If an Opt In/Stay In Business Ordinance is created and adopted by the city council that incorporates reasoned economic incentives for our voluntary, contractual commitment to stay in business for a set period of time, we would certainly seriously consider opting in.

Best Regards,



John Bovone

12-7-15:

Eugene Bundy

Concerned that the value of his home would go down. That hurts the renter no matter what. Mill ponds problem, he wanted to get my place so badly. I have maintenance problems already. I spent a lot on a retaining wall, it was crazy and they won't help me do anything.

12/7/2015

FW: San José Mobilehome "Opt-in/Stay in Business" Additional... - Marcus, Adam

FW: San José Mobilehome "Opt-in/Stay in Business" Additional Meetings

Haase, Maria

Mon 12/7/2015 11:58 AM

Inbox

To: Marcus, Adam <adam.marcus@sanjoseca.gov>; Morales-Ferrand, Jacky <Jacky.Morales-Ferrand@sanjoseca.gov>;

FYI

Maria Haase
Assistant to the Director / Analyst II
City of San José Department of Housing
maria.haase@sanjoseca.gov | www.sjhousing.org
408.975.4413

Our mission is to strengthen and revitalize our community through housing and neighborhood investment.
Find us on Twitter!

-----Original Message-----

From: Brian & Jill Borders
Sent: Monday, December 07, 2015 11:52 AM
To: Haase, Maria <maria.haase@sanjoseca.gov>;
Cc: Freitas, Harry <Harry.Freitas@sanjoseca.gov>; Morales-Ferrand, Jacky <Jacky.Morales-Ferrand@sanjoseca.gov>
Subject: Re: San José Mobilehome "Opt-in/Stay in Business" Additional Meetings

Dear housing department,

Thank you for adding these extra meetings. I am currently ill and knew I would be unable to attend tonight's meeting. I am hopeful that I will be up to attending the meetings that have been added in January. This helps a lot to have the added dates.

Thank you again for all you do to help those in San Jose with their housing needs. I just read about the emergency shelters that may be opened for the homeless. Thank goodness for your good work and kindness. We in the mobile home communities are terrified to lose our homes, but we also know how lucky we are to have a roof over our heads. My family was homeless after being displaced by a landlord that wanted to redevelop his property. It was one of the worst experiences of our family's life. So, we put every dime we had into buying a mobile home so we wouldn't be displaced again and we would be able to create stability for our daughter

12/7/2015

FW: San José Mobilehome "Opt-in/Stay in Business" Additional... - Marcus, Adam

while we raise her. Now, it turns out, we basically bought into a trap. We cannot be displaced again. It was life-threatening the last time. I am certain I cannot handle another displacement. I already had to seek professional mental health services over not having a place to call home. It can seriously mess you up to not have a home. To be faced with this exact scenario again has me wondering what in the world I did wrong to deserve to be treated in such an inhumane manner, not once, but twice by the lords over the land. Where is their humanity? Why must they insist on torturing the very people that have created wealth for them over many years? It boggles my mind.

This is an incredibly difficult time to be a resident of San Jose and I am grateful for all the housing department is trying to do to help those in need. You must have the hardest job at City Hall. Seriously, trying to keep a roof over our heads and have a stable home is all we talk about here all day long and you are the ones always trying to help us. Thank you. I know it must be hard during a time when the city needs money and owners want money. The combo pretty much means we'll be out of a home again. But hopefully, with your efforts and the constant prayers being said by the people in all the mobile home parks, the owners will find a way to want to stay in the business of creating neighborhoods where people thrive and have the chance to stay stable.

Thank you so much,

Jill Borders

On Mon, 12/7/15, Jacky Morales-Ferrand, Director of Housing <maria.haase@sanjoseca.gov> wrote:

Subject: San José Mobilehome "Opt-in/Stay in Business" Additional Meetings

Date: Monday, December 7, 2015, 11:09 AM

December 7, 2015

12/7/2015

FW: San José Mobilehome "Opt-in/Stay in Business" Additional... - Marcus, Adam

200 East Santa Clara Street, San José
Validated parking available (Park under City
Hail)
"Opt-in/Stay in
Business" Meeting for Mobilehome
Park Residents(Add)
Tuesday, January 5, 2016
2:00 - 4:00 PM
San José City Hall - Wing
Room 118-119
200 East Santa Clara Street, San José
Validated parking available (Park under City
Hail)

The input at these meetings will help City staff develop recommendations for the City Council. Staff will present the Opt-In Concept to the City Council for direction and next steps in February 2016. If you would like to submit your comments in writing or have questions, please contact Adam Marcus, Department of Housing, at adam.marcus@sanjoseca.gov or 408.975.4451. If you require translation services for a focus group meeting, please contact Adam Marcus at least three business days before the meeting.

Please check www.sanjoseca.gov/mobilehomes for meeting notes, updates, and announcements.

Sincerely,

Jacky Morales-Ferrand
Director, Housing Department

Last Night's Opt-In/Stay In Business Mtg

RY Read Yeadon



To: Marcus, Adam;

👍 \$ Reply all | ▾

Tue 12/8/2015 12:02 PM

Inbox

📧 Reply all | ▾ 🗑 Delete Junk | ▾ ...

✕

Praises to you and Jacky for holding it together last night. After the mtg and further thought, my answers to your discussion questions are:

1. The "Opt-In" concept is a can of worms that isn't worth further exploration (in spite of voting to the contrary last night), until the potential for amending the zoning code to effectively say "once zoned a mhp" is shown to be impossible. As soon as a 20-year (or whatever) commitment starts running, my place is DEFINITELY going to be worth less money when there are 10 years remaining and so on. That being said I must admit that I live in Mountain Shadows, a Brandenberg run park, that purportedly sits on land that they have leased until 2033, sooo, I may be in trouble already.
2. Yes, 2/3rds.
3. The longer the better but of course the owners will want more concessions the longer their commitment.
4. 3% of base rent (which means we'll see a 6% increase every year because of rent control).
5. Any thing that 2/3rds of the residents approve but there would need to be a clear distinction between "improvements" and "repairs".
6. No mh owner in their right mind is going to be in favor of vacancy decontrol. My home sitting on another lot with space rent that is \$100 per month higher will be worth less in order to compensate.

7. I am not in favor of any public assistance - I favor private assistance.

regards,

Read Yeadon

[Redacted signature]

🔄 Reply all | 🗑️ Delete | 🗑️ Junk | ⌵ | ⋮

✕

OPT-IN

WG Warren Gannon



To: Marcus, Adam; Cc: Morales-Ferrand, Jacky; Nusbaum, Jenny; ...

👍 🔄 Reply all | ⌵

Tue 12/8/2015 12:42 PM

Inbox

You replied on 12/8/2015 4:15 PM.

Thank you for the presentation last night at the City Library. I was impressed with your and Jackie's patience in dealing with some of the questions/comments and observations.

As Chairman of the Senior Citizens Commission I would like to provide you with the following comments:

We estimate there are approximately 7,000 senior citizens living in mobile home parks throughout the city. This is 20% of the generally agreed upon total of 35,000 residents in Mobile home Parks. According to the Santa Clara County's 2012-2016 Area Agency on Aging report nearly half of individuals age 65+ are economically insecure and living in poverty or barely staying off poverty as measured by the Elder Economic Security Index. By 2030, this figure will increase dramatically, consistent with the rapid growth in the aging demographic.

In view of this set of circumstances I feel compelled to make the following remarks in respect to the concept of OPT-IN that is being suggested by Mobile Home Park owners:

1. The proposal is basically an attempt to destroy mobile home rent control over time. As homes change hands due to attrition, circumstances, etc. the "market rate" imposed will ultimately eliminate rent control. This may take 10 years, or 20 years but the result will be a loss of affordable housing for seniors in mobile home parks that are currently the last bastion of affordable housing in the city. This flies in the face of the current city council's intent to provide as much affordable housing as possible throughout San Jose. The aging population will be denied the opportunity to live in suitable surroundings with the assurance they can afford to live out their lives in confidence and self respect.

2. The value of the mobile home, currently enjoyed by a resident, will be negatively impacted by imposition of vacancy decontrol. The in-coming owner will recognize the increased rent to be required by the MHP owner and will discount the asking price of the current residents home. It will be an inevitable result.
3. The Mobile Home Park owners have taken the position that they are willing to "trade" 20 years of status quo for the ability to provide for vacancy decontrol and the pass through of "capital" improvements.
The concept, as currently described, does not consider whether such capital improvements should be considered in relation to the profitability of each individual mobile home park. It is our observation the mobile home park owners are reluctant to "open their books" to justify additional compensation from the residents.
4. This brings us to the question of the profitability of mobile home parks in San Jose and whether the cry of "need" is justified. According to a variety of sources, Mobile Home Park ownership is an excellent business and extremely profitable. Witness the fact that few, if any, mobile home parks have turned over in ownership over the last 40 years. Remember that most of the mobile home parks in the city were developed in the 1960's and 1970's. With at least a 3% increase in rents every year over those 40 years (and in some years up to 7%) the mobile home land rent that was at \$250 a month in 1975, rose to \$500 a month by 2000, and \$750 a month by 2015 (3% compounded for 40 years). That number will increase to \$1000 a month by the year 2024. Of course, the increase is due to the joys of compound interest over a long period of time.

It would be interesting to see if the mobile home park owners who are anxious to move forward with the opt-in proposal would be willing to open their books and exhibit the profitability of their operation.

My educated guess is the margins in Mobile Home Park ownership is close to a 30-40% net return, after all expenses, based upon gross revenues.

Therefore, in answer to the very first question you put forward last night "Is this a good idea" brings a resounding NO. The loss of affordable housing, the negative impact on mobile home values, the continuing need for the senior community (and, in reality, all mobile home owners) to rely on affordable housing albeit increasing at least 3% each year, brings me to this conclusion.

Again, my thanks for providing a venue for the discussion of the opt-in concept. The willingness on your part to listen to all of the residents at these meetings is refreshing and important in our democratic society.

Warren Gannon, Chair,
Senior Citizens Commission, City of San Jose

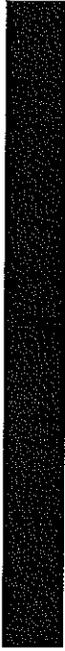
Reply all | Delete | Junk | ...



Opt In proposal

JJ

Judy J Smith



Reply all |

To: Marcus, Adam; Nusbaum, Jenny; Ramos, Theresa; Haase, Maria; Diana Castillo <dianac@lawfounda...>

Tue 12/8/2015 3:00 PM

Inbox

You replied on 12/8/2015 3:59 PM.

Action Items



Adam,

I attended last night's meeting with seven others from our park (Millpond) and we are firmly against this proposal. We feel there is not enough information from the owners to make a balanced decision on the provisions of their proposal. We do not like the vacancy decontrol as it would impact the values of our homes...UNLESS there is a specific percent of increase that would not scare a prospective buyer from purchasing our home.

The 20 year term proposed would probably cover my own case as I am 75....but what about someone 55?

What do the owners consider Capital Improvements? In the last several years some park owners tried to pass through expenses that were actually normal maintenance costs that should have been taken care of as needed. Poor money management is their fault not the residents. If they spent the override money for PG&E, for instance, that should have been held in reserve for upgrades, that is their burden.

Are owners willing to present improvement proposals to the residents first to see if the residents feel they are needed and make sense? How can we determine what caps need to be applied without knowing the size and cost of the project? My personal feeling is that at least 80% of residents need to approve projected improvements.

Improvement Assistance should be required but how do you determine who would qualify and at what level of income? There would be a very wide range of ability to pay these costs...some people are barely hanging on as is just coping with the annual rent increases.

We realize there are responsible owners but we feel they get a fair return on their investments. We have to spend our income

in a prudent manner to meet our obligations and we do not get any return on our investment whereas the owners get their annual 3% increase. I would love to get 3% annually on my Social Security!
I hope I have stated the above in a clear manner.

Gary Smith
Millpond Mobile Home Community
President of Millpond / GSMOL Chapter

P.S. A resident of another park called me this morning and wanted to know if it is possible to move the Jan 5 meeting farther out. It will be difficult to organize a bigger participation of residents due to the holidays.

Comments on Mobile home "Opt In" Stay in Business Option DRAFT – November 11, 2015

Program Objectives:

1. Encourage park owners (owners) to remain in business by providing an economic incentive to reinvest in their communities.

Comments: Doesn't this imply that park owners presently have no incentive to reinvest? Rather, state law requires them to maintain their parks according to specific standards set out in the MRL. Additionally, reinvestment maintains their property as attractive to existing and new residents. If these two factors don't give them incentives, perhaps they should sell to a new owner who cares.

2. Provide owners with financial tools to make capital improvements in their mobile home parks.

Comments: They have a financial tool. It is called revenue or cash flow. The governing boards of townhouse and condo HOAs are required by law to build up and maintain a reserve to meet future maintenance and capital improvement needs. Do park owners not have this same obligation? What is their profit margin? Where are their reserves? Before more money is taken from their residents to support their business, they should demonstrate, by opening their books, that they are unable to meet their financial obligations otherwise.

3. Protect mobile home parks from conversion to other uses for a minimum of twenty years.

Comments: It is implicit in the basic business model of a mobile home park that it will continue to operate as a park, i.e., that those who purchase a manufactured home in any park can expect it to remain there. If this were not so, no one would buy into a park where there was constant uncertainty about remaining.

4. Provide safe, relatively affordable, sustainable communities for mobile home park residents.

Comments: This should be the default value for every owner. They shouldn't expect to receive extra rewards for doing what they are in business to do.

5. Balance the economic incentives to owners with the goal of providing stability and relative affordability to mobile home residents.

Comments: This is already being done through the rental or lease agreement. The owners present these agreements to the space renter, not the other way around. Are the terms of these agreements not acceptably remunerative to the park owners? They are the ones who originated them. They agreed to take in homeowners on those terms. Again, if they are suffering, let them open their books to scrutiny and demonstrate the problem to everyone.

Comments regarding vacancy de-control:

Even if there could be some agreement regarding the pass-through aspect of the opt-in concept, there are serious problems in considering the possibility of vacancy de-control of space rent. The vast majority of home owners in mobile home parks bought their homes there because it enabled them to live better on a modest income. The lower prices of mobile homes, due to not buying land with them, allowed owners either to own their homes outright or to have a minimum mortgage payment. Thus their home costs are kept within a range which they can afford on a

low-income salary or on a low retirement fixed income. These types of income increase little or not at all over time. Therefore, the initial projections for overall costs of living, made when one first buys into a mobile home park, must continue to be valid over time. Otherwise, the situation becomes financially unsustainable. Already, the rent increases at least 3% annually, which compounds over time into a significant increase. Homeowners' incomes, especially those of retirees, do not increase to match that. Even if there are no other cost increases, homeowners lose ground every year - rent takes an ever-increasing percentage of their income.

By pushing for a vacancy de-control of rent, park owners are in danger of "killing the goose that lays the golden eggs". Low rent is a major factor which makes mobile homes attractive to potential buyers. As homes change owners over time under vacancy de-control, rents increase dramatically. The more rents go up, the less attractive a mobile home is to a buyer, and the price he or she is willing to pay goes down. Living in the park becomes less attractive, because it is more expensive, and there is less differential between park living and other possibilities. Vacancy de-control will depreciate the value of every home in a park. People don't come to live in a mobile home park because it is their ideal, but because it is a pragmatic solution to their housing needs. When that becomes less true, people will begin to look elsewhere, and the park itself will become less valuable.

On a more general note: Is it a good precedent to accede to demands (or requests) from businesses that they be given special incentives just to stay in business? Isn't staying in business one of the normal goals of being in business? Or is this (giving special incentives) a customary practice of which I am just unaware?

Kent Greathouse



December 23, 2015

The Honorable Sam Liccardo
Mayor, City of San Jose
City of San Jose
200 E. Santa Clara Street, 18th Floor
San Jose, CA 95113

Via Email

RE: January 4, 2016 Opt-In/Stay in Business Focus Group Meeting for MHP Owners

Dear Mayor Liccardo,

It is with disappointment and sadness that a large group of mobile home park owners, park operators and property owners are writing to let you and others at the City know we will not be available to participate in the January 4th Opt-In/Stay In Business Focus Group meeting that the Housing Department has scheduled. For the reasons noted below, owners representing roughly half of all mobile home spaces in the City will not be present. We recommend the meeting be canceled as well as the ensuing resident focus meeting scheduled the following day.

Our group met last week to prepare for the January 4th meeting, which the group had viewed as an opportunity to further collaborate with the Housing Department to meet Council's desire to have a well-rounded approach to advancing mobile home park viability. Unfortunately, the Housing Department pulled the rug out from under us. As a result of the release of its December 10th proposed Council Policy for Conversion of Mobile Home Parks to Other Uses AND your staff's intention to advance that policy discussion piecemealed from a potential new Opt-In/Stay In Business Ordinance, our group spent most of our time sidetracked discussing the draft council policy elements. Suffice to say that, with unanimity, assembled MHP owners/operators were shocked and discouraged by the draft council policy paper the Housing Department has prepared, which in no way reflects the direction the City Council set out for the policy, nor any basic information the mobile home owners have provided. It is wholly unworkable, has little basis in fact or fairness, and in all likelihood would, if implemented, constitute a taking of property as the draft itself suggests may be the case—and at the very least has infected the well in the short run. Our group now realizes it is being given no choice but to shift its efforts in the coming weeks to this unjust submittal, including retention of legal counsel, to address the draft's inherent challenges. You should expect separate communications from us on this policy in the future.

We are extremely frustrated with staff's continued attempt to piecemeal proposed council policy, the other regulatory changes staff is proposing, and the opt-in program the Council directed be considered. On the contrary, each element is integrally related and interconnected. City staff needs to review all these matters comprehensively, rather than piecemeal, in order to properly discharge its advisory duties to the City Council, which should include a neutral analysis of the issues in this challenging policy and regulatory landscape. Instead, staff now appears to be entirely advocates for residents, proposing in large part recommendations of The Law Foundation and ignoring the role that park owners, park operators and land owners play in the future viability of parks. Given the policy draft staff has presented and its intent to advance it to council in a piecemeal approach, we do not see how the staff could, in good faith, advance an Opt-in program as Council directed as it appears the policy would preclude the possibility of any voluntary stay in business approach.

We respectfully request a meeting with you and the city manager to address our group's concerns before more focus groups or public meetings on any of the policy matters related to mobile home parks are further advanced by the staff. Please contact [REDACTED] or [REDACTED] if you have interest in pursuing a meaningful conversation to further your goals and objectives as we look forward to re-engagement.

Sincerely,

San Jose Mobile Home Park Owners/Operators

cc: Norberto Duenas, City Manager
Harry Freitas, Director of Planning, Building & Code Enforcement
Jacky Morales-Ferrand, Director- Housing Department

12/30/2015

Letter to submit re: Opt-In Mobile Home Program - Marcus, Adam

Letter to submit re: Opt-In Mobile Home Program

Brian & Jill Borders

Wed 12/30/2015 2:59 PM

To: Marcus, Adam <adam.marcus@sanjoseca.gov>;

Dear Adam,

Please accept this email into the public record. I may not be able to make the Mobile Home "Opt-in" meetings Monday or Tuesday and I wish to share my thoughts here:

The opt-in plan is extortion, plain and simple. Bully to captive: "Give me your lunch money and I won't beat you up."

I have not one more penny to give my park owner. If she needs to go out of business because the rate of return is too low and she does not want to pass up on a City offering her and developers lots of reasons to demolish my home and go on to bigger bucks, then let her. I'm sure that's what this is all about anyway - a chance for the city to say, "we tried to help you" or a chance for the owners to say "we tried to stay in business for you". All a bunch of crap. Oppressors everywhere....planning department, lobbyists, developers, park owners....all the same lot of folks - "how can we squeeze more money out of people already giving us everything they have and make them serve our coffee too?" Only 20 years later when I'm 70 years old and having paid for God knows what for them, to say... "okay, get out now" we're done with you". What a crappy bargain to say the least.

I'm pretty much done with San Jose. I have tried and tried and tried to stop moving due to landlords raising prices or wanting to build, tried and tried to save a dime to buy a decent gift for my kid, tried and tried to provide stability by taking responsibility for my housing by buying the only home I could afford and not be displaced again....and now I'm being told I need to pay for Capitol Infrastructure on someone else's land and business that I will never own or never have a share of at the same time I'm already paying \$1000 a month rent for a space only? What kind of investment they want to make is one that buys me time before they ultimately decide to go out of business anyway. What a load of crap this all is.

So I'm paying for land I don't own (space rent), paying for improvements to a business I don't have any shares in (capitol infrastructure), and paying property taxes to a city that has changed our residential land designation in its General Plan to incentivize its redevelopment and cause me to lose my home! Yep, kick me again! Hey look I'm down, kick me again! What possesses wealthy landowners to think they are so superior as to come after me for another dollar in order to "let me" stay here in my immovable home is the stuff of the devil.

I've been had. By city and regional planners, by park owners, by developers and by landlords in this sick city. It's twisted and it's wrong.

The ONLY thing I have at this point is the knowledge that I have love in my heart for even the twisted people. That's the call to me by a higher power: Not to judge,

only to inspire others to judge themselves. My rage and anger are real, but the love I have inside for the divine that dwells in each one of us is greater.

Okay, I've said my peace. Though I am angry, I am far more grateful to have this roof over my head at this very moment. Displacement is becoming a way of life here in San Jose and I am so fortunate to be warm and dry on these freezing Winter nights. Until the final nail in the coffin comes for me again when our owner decides to sell to the God of high profits, I will fight for those that are being displaced and for those of us that are just trying our hardest to be financially responsible and create stability for our families. I don't believe the opt-in plan is of any value unless it is to offer up the mobile home park as a PERMANENT business to be sold to the residents in the event the owner wants to "go out of business". Their decision to "go out of business", is a decision to destroy lives and entire existing neighborhoods. This is hardly an American value I can rally behind.

I'm not sure I can stomach attending the meetings next week. Sitting with owners that have the inability to invest into their own businesses and instead expect me to do it for them, sounds a bit like torture. I would just want to scream out, "need money to improve your business? Call a bank!" Really, think hard about how ludicrous it would be for me to say to them, "Hey Mr. Landowner, I really need to upgrade the electrical panel in my house. Can you send me a monthly check to cover it?" That's right, they would be laughing at me. Why would they upgrade my house for me? And yet, they want me to pay to upgrade their infrastructure. This arrogance reeks of privilege and the inability to use basic critical thinking skills.

I am responsible for my home and everything in and on it: electrical, plumbing, painting, repairs, landscaping, maintenance, roof, lights... EVERYTHING...it's MY HOME. So...I think it is quite reasonable to expect them to be responsible for paying for investing in THEIR BUSINESS.

If the park owners need an incentive to stay in business and the City truly wants to keep us here, how about the City offer 50% off of property taxes if they stay in business? (idea taken from the City of San Jose's Economic Strategic goal #10... Incentives for residential downtown high rise projects include a 50% reduction in taxes, fee deferral until occupancy, and continuation of park fee reductions and suspension of affordable housing requirements.) I'm sure since park owners have been contributing to the naturally affordable housing numbers for over 40 decades, it really should be the City shelling out the money to help these needy park owners. They could use the tax savings to invest into their business. But then again, the City would have to actually be genuine in wanting us mobile home owners and residents to stick around.....and I for one believe they do not.

Sincerely,

Jill Borders

12/30/2015

Opt-In/Stay in Buisness - Marcus, Adam

Opt-In/Stay in Buisness

James Reyner 

Tue 12/29/2015 2:48 PM

Inbox

To: Marcus, Adam <adam.marcus@sanjoseca.gov>;

Adam,

Will these two meetings (Jan 4 & 5) cover anything not covered in the previous two meetings?

Cheers,

Jim Reyner



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Julie Edmonds-Mares

SUBJECT: CRIME FREE MULTI-HOUSING
PROGRAM UPDATE

DATE: December 18, 2015

Approved

Date

12/18/15

INFORMATION

The purpose of this memorandum is to provide the City Council with an updated community outreach meeting schedule for the Crime Free Multi-family Pilot Program (Pilot Program). On October 21, 2015, the Rules and Open Government Committee (Committee) directed staff to coordinate community stakeholder outreach and return to the Committee in March 2016 with an analysis of the Pilot Program from the Police Department, the Housing Department and the City Attorney's Office. After meeting with the City's facilitation consultant to evaluate the schedule and workplan, City staff decided to update the outreach schedule to include stakeholder meetings before and after the four community meetings. City staff and the consultant felt that it was important for the stakeholders to hear directly from the community before developing Program recommendations.

This schedule ensures that the stakeholders meet prior to the community outreach meetings to gain a basic understanding of the Pilot Program model, Program elements, and to prepare for the broader community meetings. After receiving community feedback, the stakeholders will reconvene to evaluate community feedback, assess program components, and provide program recommendations. The stakeholder recommendations will inform the staff report that will be presented to the Rules and Open Government Committee in March 2016.

The following is a timeline outlining the updated meeting schedules:

ACTION ITEM

TIMELINE

Staff Meetings with Stakeholder Groups Bascom Community Center 1000 S Bascom Ave, San José, CA 95128 Purpose: Crime Free Program Overview	December 10, 2015 1:00 p.m. – 3:00 p.m.
Community Outreach Meeting Cornerstone Community Church 5655 Gallup Dr., San José, CA 95118	January 6, 2016 7:00 p.m. – 8:30 p.m.
Community Outreach Meeting Alpha Blanco Alvarado Middle School 1601 Cunningham Ave., San José, CA 95122	January 7, 2016 7:00 p.m. – 8:30 p.m.
Community Outreach Meeting Emanuel Lutheran Church 1710 Moorpark Ave., San José, CA 95128	January 14, 2016 7:00 p.m. – 8:30 p.m.
Community Outreach Meeting McKinley Community Center 651 Macredes Ave., San José, CA 95116	January 19, 2016 7:00 p.m. – 8:30 p.m.
Staff Meetings with Stakeholder Groups Bascom Community Center 1000 S Bascom Ave., San José, CA 95128 Purpose: Evaluate Community Input and Assess Program Components	January 21, 2016 1:00 p.m. – 3:00 p.m.
Staff Meetings with Stakeholder Groups Bascom Community Center 1000 S Bascom Ave., San José, CA 95128 Purpose: Assist in Developing staff report	January 28, 2016 1:00 p.m. – 3:00 p.m.
Housing and Community Development Commission Meeting City Hall Wing Rooms 118 & 119 200 East Santa Clara St., San José, CA 95113	March 10, 2016 5:45 p.m.
Report to Rules Committee	March 2016

HONORABLE MAYOR AND CITY COUNCIL
December 18, 2015
Subject: Crime Free Multi-Housing Program Update
Page 3

All community outreach meetings will be widely published. In an effort to ensure an open and transparent community process, City staff will be tracking and documenting all public comments throughout this process.

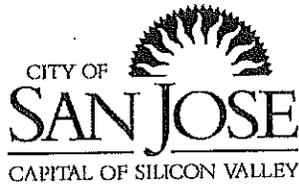
COORDINATION

This memorandum was coordinated with the Police Department and the Housing Department.



JULIE EDMONDS-MARES
Deputy City Manager

For questions, please contact Julie Edmonds-Mares, Deputy City Manager, at (408) 535-8155.



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Jacky Morales-Ferrand

SUBJECT: SEE BELOW

DATE: November 25, 2015

Approved

D. D. S. L.

Date

11/30/15

INFORMATION

SUBJECT: STATUS UPDATE ON POTENTIAL MODIFICATIONS TO THE CITY'S APARTMENT RENT ORDINANCE

BACKGROUND

The purpose of this memorandum is to provide the City Council a status update on the process to explore potential modifications to San José's Apartment Rent Ordinance (ARO). This item was identified on June 23, 2015 as the City's second highest policy priority for FY 2015-16. On September 1, 2015, the City Council approved staff's proposed workplan and provided additional direction to advance the following items:

- Potential modifications to Municipal Code Chapter 17.23, the Apartment Rent Ordinance (ARO) including:
 - The annual allowable rent increases;
 - The debt-service pass through;
 - Revised notification requirements for notices to vacate and rents charged to tenants in properties subject to the ARO;
 - Amendments to facilitate monitoring and enforcement of the ARO;
- Consideration of a Just Cause Eviction Ordinance;
- Evaluation of the Staffing levels to effectively monitor, enforce, and analyze the ARO program;
- Evaluation of the inclusion of duplexes as part of the ARO;
- Exploration of income eligibility criteria for rent-controlled units; and
- Convene an Advisory Committee composed of tenants, owners, and advocates to provide input on Council-directed items.

Staff was directed to bring back recommendations for Council consideration in December 2015.

ANALYSIS

Since the September 1, 2015 City Council meeting, staff has undertaken a significant amount of work to advance the Council's policy priority.

Advisory Committee

Per Council direction, a 12-member Advisory Committee was convened, with six members composed of apartment owners/managers and their advocates and six members composed of tenants and their advocates. The Advisory Committee met over several weeks to provide an initial round of input on the Council-directed items:

- September 30, 2015: Presentation on the City's Apartment Rent Ordinance provisions
- October 7, 2015: Income qualification of tenants in ARO units; Inclusion of duplexes
- October 14, 2015: Information on consultant scope of work
- October 17, 2015: Alternative standards to the annual allowable rent increase
- October 21, 2015: Cost pass-through provisions, including debt-service pass-through
- October 28, 2015: Petition and administrative hearing process; Data collection, monitoring, and enforcement
- October 31, 2015: Consideration of a just/good cause ordinance

These meetings were held in several locations. These included the Roosevelt Community Center, the City Hall Rooms W118-120, and the City Council Chambers.

Prior to each meeting, staff sent information via a distribution list composed of over 1,500 individuals. Staff also created a dedicated email for interested parties to subscribe to, as well as a dedicated website that contains all of the information related to this process. Information that can be found on the website includes background information, Advisory Committee meeting agendas, minutes, public comments, and audio recordings. Additionally, written correspondence received by staff via email or physical mail are included under "Public Correspondence." The website is at the following location: <http://www.sanjoseca.gov/index.aspx?nid=4744>. Public attendance was consistently high, ranging between approximately 80 and 120 attendees each meeting, albeit composed primarily of the same apartment owners/managers representing small landlords. While some tenants and tenant advocates did attend the meetings, they comprised a small proportion of the public participants. Each meeting was conducted by Shawn Spano, a third party facilitator.

Consultant Report

The City has procured consultants to perform an analysis of the apartments which are subject to the ARO Ordinance. The analysis will include the following topics:

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- An economic analysis on apartments under the ARO,
- Demographic and socio-economic conditions of ARO tenants,
- A comparison of ARO and non-ARO rents,
- An assessment of other ARO and non-ARO apartment characteristics - such as building quality and age.

Based on public input to utilize as much historical data possible, the consultant work was expanded to include additional Census data. The study is currently underway and it is anticipated that a draft will be available for public review by the end of 2015.

NEXT STEPS

Staff has modified the workplan to bring recommendations for Council consideration on March 22, 2016.

- December 7, 2015: Advisory Committee meeting to receive information and to provide feedback on summary of Committee and public input.
- End of 2015: Release public draft of consultant report.
- Mid-January 2016: Advisory Committee meeting to provide input on draft consultant report.
- Mid- to Late-February 2016: Hold two general public meetings and one Advisory Committee meeting to provide input on staff's draft recommendations for potential modifications to the ARO.
- March 10, 2016: Housing and Community Development Commission to provide input of staff's draft recommendations for potential modifications to the ARO.
- March 22, 2016: City Council consideration of staff's recommendations for potential modifications to the ARO.

Given the multiple perspectives on this topic, staff has included four additional meetings (as noted in the above timeline) that were not originally in the workplan approved by Council in September 1, 2015. These include two additional Advisory Committee meetings and two general public meetings to obtain input on staff's recommendations. The revised workplan ensures that both the Advisory Committee and the public have sufficient time to respond to both the consultant report and staff recommendations.

/s/

Jacky Morales-Ferrand

Director, Department of Housing

For questions, please contact Wayne Chen, Acting Division Manager, at (408) 975-4442.



