



CITY OF SAN JOSÉ
HOUSING AND COMMUNITY DEVELOPMENT
COMMISSION

June 9, 2016 AT 5:45 PM
SAN JOSÉ CITY HALL
200 E. SANTA CLARA ST.
LOCATION: WING ROOMS 118-120
SAN JOSÉ, CA 95113



Martha O’Connell, Chairperson
 Davlyn Jones, Vice Chair

Commissioners

Michael Fitzgerald	Victoria Johnson	Gary Prideaux
Bob Gill	Melissa Medina	Alex Shoor
Mike Graves	Steven Neff	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.

TIME*	AGENDA ITEM
5:45	(a) Call to Order/Orders of the Day
5:50	(b) Introductions
5:55	(c) Approval of Minutes for the May 12, 2016 Regular Meeting ACTION: Recommend approval of the May 12, 2016 action minutes
6:00	(d) Chair’s Report (M. O’Connell, Chair)
6:05	(e) Homeless Housing Status Report (R. Bramson, Housing Department) ACTION: Recommendation Housing Department Staff to accept the report and discuss efforts to create a range of interim and supportive housing solutions for homeless individuals and families.
6:25	(f) Draft Workplan for the Development of a Mobilehome Park “Opt-In/Stay-In-Business” Proposal (A. Marcus, Housing Department) ACTION: Recommendation to Housing Department Staff to accept the report and provide feedback on the draft workplan for the development of an “Opt-In/Stay-In-Business” Proposal.

- 6:45 (g) **Implementation of the Modified Apartment Rent Ordinance (D. Bopf, Housing Department)**
ACTION: Recommendation to the City Council to approve the Administration's amendment to the FY 2016-17 Proposed Budget to add 2.0 positions and \$100,000 in consultant costs and increase the annual Rental Rights and Referrals Program (RRRP) fee for apartments subject to the Rent Ordinance by \$6.79, from \$12.50 to \$19.29 per unit to implement the modified Apartment Rent Ordinance.
- 7:00 (h) **Change in Bylaws to Hold HCDC Chair and Vice Chair Elections in June (D. Bopf, Housing Department)**
ACTION: Commission action to change the bylaws to hold Chair and Vice Chair elections in June.
- 7:10 (i) **Nomination and Election of Commission Chair and Vice Chair (D. Bopf, Housing Department)**
ACTION: Nomination and Election of Chair and Vice Chair
- 7:25 (j) **Director's Report (D. Bopf, Housing Department)**
(1) ARO Summary and FAQ from Website
- 7:30 (k) **Open Forum**
- 7:35 (l) **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

MAY 12, 2016

MEMBERS PRESENT:

Martha O'Connell	Chair
Davlyn Jones	Vice Chair
Michael Fitzgerald	Commissioner
Gary Prideaux	Commissioner
Mike Graves	Commissioner
Alex Shoor	Commissioner
Victoria Johnson	Commissioner
Lee Thompson	Commissioner
Melissa Medina	Commissioner (5:46pm)
Steven Neff	Commissioner

MEMBERS ABSENT: Bob Gill Commissioner (excused)

STAFF:

Dave Bopf	Housing Department
Ray Bramson	Housing Department
Robert Lopez	Housing Department
Dan Block	Vice Mayor Herrera's Office
Dulce Bermudez	Vice Mayor Herrera's Office

(a) **Call to Order/Orders of the Day**—Chair O'Connell opened the meeting at 5:45pm. Commissioner Fitzgerald made the motion to approve the Orders of the Day with a second by Commissioner Graves. The motion passed unanimously (9:0).

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

(c) **Approval of the Action Minutes for the April 14, 2016 Regular Meeting**

Commissioner Jones made the motion to approve the minutes for the April 14, 2016 regular meeting with a second by Commissioner Prideaux. The motion passed unanimously (10:0).

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

Chair O'Connell made an announcement to remind staff to hand documents from the public to the commissioners at the time they are received during Commission meetings and also to remind the public to present or reference their documents during public comment. Chair O'Connell also asked about Commissioner recruitment. Staff responded that the City Clerk's office will be doing additional recruitment as no qualified applicants were found during the prior recruitment process.

(e) **Housing Trust Fund Budget FY 2016-2017 (R. Bramson, Housing Department)**

Commissioner Graves made the motion to accept the Housing Trust Fund Expenditure Plan for Fiscal year 2016-2017 with a second by Commissioner Jones. The motion passed unanimously (10:0).

DRAFT

(f) Inclement Weather Response Program (R. Bramson, Housing Department)

Commissioner Graves made the motion to accept staff's report on the Inclement Weather Response Program with a second by Commissioner Thompson. The motion passed unanimously (10:0).

(g) Mobilehome Rent Control Fee Collection Process (D. Bopf, Housing Department)

Commissioner Graves made the motion to accept staff's report on the Mobilehome Rent Control Fee Collection Process with a second by Commissioner Jones. Commissioner Thompson asked to make a friendly amendment to clarify "30 to 45 days", which was accepted by Commissioner Graves. The motion passed unanimously (10:0).

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

Mr. Bopf reported that the temporary Mobilehome moratorium was extended. Mr. Bopf also updated the commission on the Apartment Rent Ordinance and next steps.

(i) Open Forum

Commissioner Thompson made the announcement that next week is Affordable Housing Week with a list of events. Commissioner Thompson also suggested that the commission discuss chair and vice chair elections at the next meeting.

(j) Adjournment

Chair O'Connell adjourned the meeting at 6:53pm.



Memorandum

TO: HOUSING & COMMUNITY
DEVELOPMENT COMMISSION

FROM: Jacky Morales-Ferrand

**SUBJECT: HOMELESS HOUSING
STATUS REPORT**

DATE: May 26, 2016

Approved

Date

RECOMMENDATION

It is recommended that the Housing & Community Development Commission (HCDC) accept the status report and discuss efforts to create a range of interim and supportive housing solutions for homeless individuals and families.

BACKGROUND

Homelessness and the lack of available housing for Extremely Low Income populations continues to be a pressing issue for the City of San José and Santa Clara County as a whole. According to the U.S. Department of Housing and Urban Development's 2015 Annual Homeless Assessment Report, among the 48 Major City Continuums of Care, Santa Clara County has:

- The highest rate of unsheltered homelessness;
- The third largest number of chronically homeless persons;
- The fifth largest number of unaccompanied homeless youth; and
- The fifth largest number of homeless veterans;
- The ninth largest number of homeless persons on any given night.

To respond to this significant challenge, the City and its partners have been working towards a comprehensive, regional response to homelessness for over a decade. With Destination: Home serving as the coordinating partner, leaders from the City, County, Housing Authority of the County of Santa Clara (Housing Authority), Santa Clara Valley Water District, service providers, philanthropic institutions, community groups, and business organizations, created the Community Plan to End Homelessness in Santa Clara County. In February 2015, the City Council adopted a resolution to endorse the Community Plan, making San José the first city in the County to formally extend its support for this critical effort.

ANALYSIS

Using the Community Plan as a guide, the City and its partners, such as the County of Santa Clara and the Housing Authority, have made significant strides in reducing homelessness in our community. Since the 2013 Homeless Census and Survey, homelessness in San José decreased by 15%. However, meeting the immediate housing needs of homeless men, women, and children remains a challenge. The 2015 Homeless Census and Survey found that there were still 4,063 homeless individuals in San José on a given night. Over sixty-nine percent (69%) of the homeless individuals, or 2,810, were unsheltered and 35% of the population were identified as being chronically homeless. One of the most expensive housing markets in the country only serves to further exacerbate the challenge of homelessness locally. According to the National Low Income Housing Coalition's Out of Reach 2015 report, Santa Clara County is the fifth most expensive county in the United States, requiring a wage of \$34.79/hour to afford fair market rental rates for housing. Rental vacancy rates are low and there is not nearly enough affordable housing to meet the need.

Listed below are approaches that represent a spectrum of programming and support that address both the immediate and long-term homeless housing needs for the City.

Crisis Response System

Street Outreach and Supportive Services

Since 2012, the City-wide Homeless Outreach and Engagement Program has provided a coordinated response to community concerns about homeless persons living on the streets and in encampments throughout San José. The Program has a centralized Homeless Outreach and Engagement Helpline (408-510-7600) and email address (outreach@homefirstsc.org). When a call or email comes in a team of outreach workers are deployed to the site to connect the homeless individuals to housing, offer emergency shelter, transportation, and other comprehensive supportive services. Every visit is recorded in a database, which helps the City to better understand the needs and impact of homelessness throughout the City.

The City partners with HomeFirst as the Outreach coordinating agency. In FY 2015-16, HomeFirst has served 258 unduplicated homeless persons, provided 616 outreach contacts, offered 4,369 nights of shelter, and provided 83 case management sessions. HomeFirst reported at the end of the second quarter in December that 25% of HomeFirst clients contacted via street outreach moved from the street to permanent housing destinations.

The City also entered into a new partnership with PATH in 2015 to operate the Downtown Outreach Program with a goal of increasing community stakeholder engagement around homelessness and decreasing homelessness in the downtown core. In FY 2015-16, PATH served 155 unduplicated homeless persons, provided 1,194 outreach contacts as a response to constituent concerns, and 508 case management sessions. PATH further reported that 100% of PATH's engaged clients completed a vulnerability assessment to identify housing and services

prioritization and that 28% of clients contacted via street outreach moved from unsheltered locations to either interim or permanent housing.

Activation of City-owned overnight warming facilities

Each winter, the possibility of severe weather coupled with potential flooding poses a significant threat to the health and well-being of thousands of unsheltered individuals in San José living along the waterways, on the streets, and in other exposed areas. Traditionally, the regional crisis response to these potentially life-threatening conditions has been somewhat limited. During cold weather months - from November 30 through March 31 - the County opens its Cold Weather Shelter Program in Sunnyvale, Gilroy, and San José. This program, managed by the non-profit HomeFirst, activates approximately 250 emergency shelter beds for unhoused residents, including 50 beds of shelter in San José.

These beds operate on a nightly basis, offering shelter and food to residents. When the facilities are anticipated to exceed capacity, beds are allocated through either a lottery system or a first-come, first-served basis. Even with the addition of these beds, however, there still remains a lack of viable, local options for homeless populations in San Jose to seek refuge when major storm systems pass through the region.

On December 8, 2015, the City Council declared a shelter crisis for the first time, pursuant to California Government Code Section 8698. The declaration of the crisis allows the City to use City-owned property improve the local crisis response system during periods of inclement weather by providing emergency shelter.

The Homelessness Response Team, in partnership with the City Departments of PRNS and Library, selected four City-owned facilities to be occupied as overnight warming facilities. These included the Bascom Community Center, Tully Community Library, Washington United Youth Center, and Biblioteca Branch Library facilities. HomeFirst was contracted to operate the Overnight Warming Locations for a combined 100 unsheltered persons in San José during periods of inclement weather. Activation is triggered by a forecast 48-72 hours in advance by the National Weather Service of following conditions:

- an overnight low of 38 degrees or lower with a probability of rain less than 50%; or,
- an overnight low of 42 degrees or lower with a probability of rain of 50% or greater; or,
- prolonged periods of rain with flooding in low-lying areas.

Working with an interdepartmental team that included employees from Library, PRNS, Housing, Planning, Public Works, Fire, and the City Attorney's Office, the program activated the sites five times for a total of 14 nights during the winter season to provide food, shelter, and support during periods of inclement weather.

The chart below summarizes the total services of the program. Though not the primary intent of the program, it should be noted that beyond the information reported below, HomeFirst staff

were also able to successfully transition one adult and two children into permanent housing as a direct result of interaction through this program.

Overnight Warming Locations				
Location	Target Population	Total Number Sheltered	Total services provided (meals & bus tokens)	Council District
Tully Community Library	Individuals	42	95	7
Bascom Community Center	Individuals	60	142	6
Biblioteca Latinoamericana	Individuals	50	87	3
Washington United Youth Center	Families	64	138	3
Total		216	462	

Staff from PRNS and Library reported no significant issues at any of the sites and that, as a contractor, HomeFirst served as a response partner in addressing and resolving site specific challenges quickly. Staff did note that enhanced custodial support additional storage space for the belongings of clients would be a considerable assets for future activations. Both PRNS and Library reported that the overall program was successful and well received by the community.

Underutilization, however, was initially somewhat of a challenge. As a new program in the community, there was relatively limited awareness of the program. However, there was an increase in participants over the course of the year as outreach workers and emergency responders were able to disseminate information about the sites throughout the homeless community. Better coordination with the County and other homeless service providers is still needed, as is a survey of participants to better understand any other barriers to accessing shelter. Staff is recommending to continue the program next year, but plans to conduct a more detailed analysis of the sites selected and the client outreach to end-users to ensure that a higher number of people access potentially life-saving shelter and refuge during inclement weather.

Faith-based institution temporary shelters

The City Council also approved an urgency ordinance to allow faith-based institutions to provide temporary shelter opportunities as a response to inclement weather conditions, to further support the City-funded inclement weather response. As described in part 17 of Title 20 of the San José Municipal Code, a church or religious institution may provide temporary shelter to homeless persons. However, the Code requires a special use or conditional use permit and limits the provision of overnight shelter up to 15 people per location - as permitted by maximum site occupancy - for up to 35 calendar days each year. In addition, Council Policy 6-30, which requires public notification and outreach for any pending land use and development proposals applies. The urgency ordinance waived the application process, all related fees, and any required public notification process, allowing places of worship to provide immediate lifesaving shelter.

In total, 10 religious assembly sites voluntarily participated with the City for technical assistance from January to April 2016. Participation with the City included fire and safety inspections of the site, development of a shelter operations plan, and training from non-profit staff on service

interactions. The City only provided technical assistance to the participating groups. The various congregations assumed all of the costs associated with managing the shelter, providing shower and laundry services, serving meals, and offering other support.

To date, staff has received full reports back from 6 of the 10 participating shelters. The chart below summarizes the reported information regarding the overall services, volunteer hours, and estimated costs incurred by the participating groups.

Religious Assembly Shelters: January – April 2016						
Location	Target Population	Total number of nights in operation	Total number of individuals who accessed shelter	Total number of volunteers	Estimated Costs	Council District
Holy Spirit	Single women	29	20	600+	\$10,000	10
St. Francis of Assisi	Single men	28	11	140	\$10,700	8
Trinity Cathedral	Single men	28	18	38	\$6,257	3
Willow Glen United Methodist	Single women	35	19	200+	\$20,000	6
Most Holy Trinity	Single men	21	16	75	\$3,000	8
St. Julie Billiart Parish	Women with children	29	7	617	\$8,000	2
		Totals	91	1,670	\$47,957	

In addition to the organizations who worked directly with the City, the Winter Faith Collaborative – a new collaborative body consisting of 16 faith communities – partnered together to provide a variety of respite services, including shelter, daytime warming centers, and supportive services. From this effort, the Collaborative reported helping 255 people and providing over 38,000 meals this winter with over 1,000 volunteers and 54,000 volunteer hours.

On May 24, 2016, the Diocese of San José and Catholic Charities of Santa Clara County hosted a Social Ministry Leadership Gathering with Catholic Church leaders to discuss and evaluate the program more collectively. Feedback from the participating organizations included notes of excellent partnerships between the various groups and considerable education opportunities for volunteers and parishioners about homelessness. Some churches did report a need for more onsite services, better training for volunteers, connections to permanent housing for guests, a better community-wide referral system, and the desire to increase the number of guests sheltered and the length of time allowed at each site under the ordinance. The concept of a rotating, year-round shelter supported by a coalition of faith-based organizations was also widely discussed as a community goal going forward.

On June 28, staff will return to Council with a recommendation to consider extending the current urgency ordinance and revising the existing Church Shelter Ordinance to continue to utilize, strengthen, and support the considerable resources generated by the faith-based community through this initial effort.

Essential Services

Aside from the new inclement weather responses this past year, the City also recognized the importance of providing essential street-level services to support the basic daily needs of unsheltered people both to increase the safety of these households and potentially provide linkages to housing and long-term stability. In 2015, the Housing Department issued an Essential Services Request for Proposals (RFP) to fund both overnight warming locations and several direct services including: a drop-in services program, a mobile hygiene program, and a safe parking program.

Shower and Sanitation Program

Approved in December, the City contracted with HomeFirst to operate a Shower and Sanitation Program, which provides showers, meals, and laundry facilities to unsheltered individuals. Operating out of the Boccardo Reception Center, the program daily serves up to 30 clients five days per week on a drop-in basis during the day for referred clients who are not currently staying at the shelter. Priority is given to those referred by HomeFirst and PATH's citywide and downtown outreach teams. As of March 31, 2016, HomeFirst served 199 unduplicated participants with 438 clients accessing showers, 438 meals provided, and 283 clients accessing laundry services. The overwhelming majority (96%) of clients reported that the Shower & Sanitation Program met their basic needs. The current contract expires on June 30, 2016, but staff has budgeted funding to renew the services for the next fiscal year.

Mobile Hygiene Program

Beginning on March 1, 2016, the City's new Mobile Hygiene Program provided unsheltered persons throughout San José with access to mobile shower and laundry facilities. The City partners with Project WeHOPE to deploy its Dignity On Wheels mobile shower and laundry trailer to sites throughout San Jose. Dignity On Wheels provides up to 30 showers and 18 small loads of laundry daily six days per week at predesignated locations. The goal is to provide services to at least 100 unduplicated persons a year. Clients receive provisional towels, bath mats, footwear, and clothing (for laundry clients only), which must be returned after use. Shower clients will be offered hygiene kits, which include socks, shampoo, conditioner, soap/body wash, toothbrush, toothpaste, deodorant, and mouthwash. Clients also have the opportunity to work with Dignity on Wheels staff to assess unmet needs and access community resources. To support these connections, Housing staff is currently working to develop a more comprehensive plan to further connect those accessing mobile hygiene services with housing and case management from other partner agencies.

Safe Parking Program

Safe Parking – a site that provide safe places for homeless individuals living in vehicles to park and sleep – is most effective when the participants are connected to case management, rental subsidies, and housing placement. Currently, staff is working with Amigos de Guadalupe on a plan to operate a pilot safe parking. Once the various regulatory and safety issues are resolved, the planned program will utilize various forms of support, including individualized case management, tenant-based rental assistance coupons, and basic needs assistance such as security, water, food, storage, blankets, trash disposal, restroom facilities and showers through Dignity On Wheels. The proposed project will serve 15 - 20 vehicles on a nightly basis and will develop housing transition plans for all participants. The program is fully funded for FY 2016-17 and staff anticipates that the site will begin operations in the fall of 2016.

Interim and Bridge Housing Solutions

Tenant-Based Rental Assistance

The City partners with The Health Trust to administer time-limited tenant-based rental assistance to homeless households in San José. Tenant-based rental subsidies are one of the City's primary resources in helping non-chronic homeless households who are employable and capable of transitioning to some level of self-sufficiency and rapidly exit from homelessness into long-term stable housing. Funded through two sources, HOME and the General Fund, the City has funding committed for 220 households annually with this service. Typically, the assistance lasts for a period of up to two years and is paired with case management, employment placement, and other individualized supportive services from a partner agency. The City maintains contracts and MOUs with a number of non-profit partners such as Downtown Streets Team, HomeFirst, Bill Wilson Center, LifeMoves, and Family Supportive Housing to provide these services for populations including youth, families, and single adults. These partnerships help to ensure that the participant is fully prepared to transition off the subsidy at the end of the program duration.

Current market conditions, however, have limited the effectiveness of this program. Of the 220 funded subsidies, only 167 are currently being used by clients to rent apartments. With a current vacancy rate hovering at approximately 5%, San José's highly-competitive rental market makes it extremely difficult for individuals exiting homelessness to quickly enter into housing. Participants must not only compete with San José residents who have stronger rental histories, but many participants also have additional barriers such as criminal histories or poor credit scores. Additionally, landlords are less inclined to participate in the program when they can easily fill their apartments with tenants who do not require rental assistance and carry less potential risk. Even with a guaranteed rental payment from the City or other agency, program participants can remain on the streets for months unable to locate a place to live. As such, it has become necessary for the City to alternative interim housing options to provide stability and support for individuals while they search for permanent housing.

Transition in Place Housing Program

As a result of the challenges of identifying apartments for individuals already with rental subsidies and case management, staff has developed a Transition in Place (TIP) program that provides access to apartments in subsidized housing developments. Providing this access to deeply affordable apartments greatly increases the likelihood that participants from tenant-based rental assistance programs will be able to “transition in place” and remain stably housed once their rental coupon expires. Housing Department is utilizing a variety of strategies to gain access to existing restricted affordable apartments including paying for rehabilitation costs at properties, buying down rents of very low or low-income apartments, and subsidizing development costs of new construction. The cost of the program varies depending on the mechanism used to gain access to the apartments.

Through the TIP program, a property owner gives the City a right to refer into a specific number of apartments prospective tenants who hold a rent subsidy coupon from the City. The program serves individuals and families currently experiencing an episode of homelessness that can be quickly re-housed and stabilized through time-limited rental subsidies and support. Through employment and supportive services, the goal of the program is that individuals and households are expected to achieve independence, defined as the ability to pay a 30-40% AMI rent within a 2-year period. This equates to rents between \$559 and \$744 for a studio apartment. To date, staff has identified 71 apartments for the program.

Transition in Place Housing Program – Funded and Pipeline Developments					
Capacity	Development	Funding	Source	Timeframe	Council District
10	Creekview Apartments	\$1.1M	Low and Moderate Income Housing Asset Fund (346)	Available	5
44	HIP Properties	\$1.8M	Multi-Source Housing Fund (448)	2016/17	various
8	Eden Palms	N/A	N/A	Fall 2016	2
9	Metropolitan South	\$6.5M	Low and Moderate Income Housing Asset Fund (346)	2017	7
Total TIP Opportunities : 71					

Hotel/Motel Supportive Housing Program and Underutilized City-Owned Property

On June 17, 2014, the City Council amended Title 20 of the San José Municipal Code to allow for "hotel supportive housing" at commercial hotel and motel sites in defined regions of San Jose, referred to as the Hotel/Motel Master Lease Program (MLP). In late 2014, staff released a Request for Qualifications (RFQ) to find an operator to manage hotels/motels as part of the MLP, but no agencies responded. Subsequently, only Abode Services indicated a potential interest in exploring the MLP. Due to the limited interest and availability of master leasing options, staff also directed Abode Services to include the option of acquiring motels in its inquiries with owners.

As a result, Abode worked with the City over the past two years to identify two hotels: the Plaza and Casa de Novo (formerly the Santa Clara Inn). In total, the two sites will provide 104 units of short-term and interim housing for homeless individuals while they search for permanent housing.

Hotel/Motel Housing Programs					
Capacity	Development	Funding	Source	Timeframe	Council District
56*	Casa de Novo	\$6.9M	Multi-Source Housing Fund (448)	Available	6
48	The Plaza	\$2.2M	Community Development Block Grant Fund (441)	Fall 2016	3
Total Hotel/Motel Opportunities : 104					

** 27 of the 56 units are pending conversion to long-term housing under the hotel/motel supportive housing program*

Interim Housing Community

At the September 22, 2015 City Council meeting, Council accepted a report from staff to explore implementation of a pilot interim housing community. Such communities can provide interim housing options for homeless program participants and serve to address the demand for a more economical way to house people quickly. In the memo, staff recommended that the pilot would serve a minimum of 100 individuals in manufactured housing units that contained private bedrooms and shared kitchen and bathroom facilities. To overcome the numerous legal, funding, and regulatory barriers, the structures would meet the California Building Code and would include energy efficiency features, insulation, heating, and weatherproofing to provide a comfortable living environment both in the winter and the summer. In this model, each room would have a locking door to ensure privacy and security. The interior space would include storage and convertible or modular furniture to accommodate multiple needs.

To further explore this model, in January of 2016 the Housing Department issued a separate RFP to solicit and identify proposals describing how such a program could be developed, implemented, and operated. The Housing Department also included City-owned property at Evans Lane as a site that could be potentially utilized for such a project.

RFP responses were due on March 4, 2016. One proposal for the development component and two proposals for the operator component of the project were received. A review panel comprised of City and County representatives, as well as a community stakeholder, reviewed and evaluated each proposal individually. Abode Services received the highest scores for both the development and operator components described in the RFP.

During the RFP process, in recognition of the urgency in developing potential interim housing opportunities for homeless individuals as quickly as possible, the Housing Department also initiated the process of revising the land use designation of the Property from industrial back to its appropriate residential designation. The site had an existing affordable housing covenant, but the designation had been changed in error. In March 2016, the Housing Department submitted a

General Plan Amendment to modify the Property's land use designation from Neighborhood/Community Commercial to Mixed Use Neighborhood. On May 4, 2016, the Planning Commission recommend supporting the General Plan Amendment to Council.

The City Council will hear this item on June 28th, 2016, with a separate recommendation to provide project funding. If Council approves both actions, staff will be able to continue working with the County and Abode to develop additional funding resources for both the development and ongoing services and operations of an interim housing community at Evans Lane. This work could then leverage the initial planning grant issued through the County RFP process, as well as allowing for a multi-agency partnership to fully implement the concept explored and approved by Council in 2015. Currently, this options provides the most expedient route to creating housing for unsheltered populations in the City.

AB 2176 – Modernization of the Shelter Crisis Act

Beyond the proposed interim community model at Evans Lane, the Mayor's Office, as well as several Councilmembers, have urged staff to continue to investigate other innovative solutions to address the immediate needs of thousands of unsheltered residents. Enacted in San José for the first time last year, the Shelter Crisis Act currently allows a city, county, or other political subdivision to declare a shelter crisis, and provides that upon such declaration the political subdivision's liability for the provision of emergency housing is limited. It also provides that the entity may allow homeless persons to occupy designated public facilities for the duration of the state of emergency and that state and local housing, health or safety standards are suspended for additional public facilities open to the homeless to the extent that strict compliance would in any way hinder the mitigation of the shelter crisis.

Emergency housing is typically provided as shelter beds allowing an overnight stay. The person must vacate the premises every morning and may need to re-apply for shelter each night. While this function served the City well to open overnight warming locations to respond to inclement weather this past winter, studies across the nation have shown that this transient shelter bed model is not effective for transitioning people into permanent housing. Because the current version of the Shelter Crisis Act does not address protection from habitability rules and their impact on landlord tenant law, however, the City could potentially incur liability in providing anything beyond transient shelter beds in facilities designated under the current law. Further, current law limits jurisdictions to only work with existing structures, preventing the potential for the construction of any type of new facility.

Under AB 2176, the City of San José would have the authority to prepare local building, housing, health, habitability, or safety standards, in lieu of such state laws, for the development of emergency bridge housing. The opportunity to conduct a pilot program providing small private spaces served by communal facilities would give the City another tool to address the needs of thousands of unsheltered individuals in San José. Unlike models that propose to put people without dedicated resources into environments not meant for long-term habitation (such as campgrounds), this new proposed model is a viable alternative that would provide better

protection than a tent. It would also potentially provide for heating, lighting, and ventilation which would allow for longer and safer stays at a potential site. A pilot program implemented under this revised law would potentially allow the City to try innovative, cost effective methods to provide bridge housing while the City moves forward with continuing to build a robust pipeline of permanent supportive housing developments.

On April 12, 2016, City Council moved to adopt a support position of this bill. The bill was heard before the California State Assembly Housing and Community Development Committee and was passed unanimously. If the bill were to be signed into law, it would be in effect beginning January 2017, providing the City with a much greater range of options for developing and operating interim housing for homeless individuals considering the authority and flexibility authorized through the bill.

Permanent Supportive Housing

Since the early 1980s, the City has funded or facilitated the development of approximately 18,000 affordable rental apartments. Loans made by the Housing Department to finance these affordable properties comprise a loan portfolio of \$750 million. This portfolio, however, currently contains less than 100 supportive housing apartments to serve the needs of San José's most vulnerable residents.

To support this critical effort, the Housing Department has concluded that it can make its largest impact by focusing its resources on rental housing development with the deepest level of affordability for extremely vulnerable residents. Traditionally, the City has funded affordable housing for working families and individuals or seniors on fixed incomes. Homeless shelters have been funded, but permanent supportive housing developments targeting homeless individuals have yet to be constructed in San José.

Permanent supportive housing (PSH) requires increased construction and operating subsidies from the public sector. It also requires funding for onsite support services to ensure ongoing successful developments. While these resources have been extremely limited in the past, both the County of Santa Clara and the Housing Authority have recently made major funding commitments to incentivize developers to build permanent supportive housing now. The City has an opportunity to leverage these resources from its partners and ensure that desperately needed housing developments for the most vulnerable populations move forward expeditiously.

To accomplish this work, staff is moving forward with two key strategies to maximize the creation of supportive housing opportunities throughout the community: These include 1) Supportive Housing Prioritization and 2) Permanent Supportive Housing Notice of Funding Availability.

Supportive Housing Prioritization in the Existing Development Pipeline

The Housing Department has developed an Affordable Housing Investment Plan that includes:

developments that had previously been approved for partial or full funding commitments, developments that the Department is currently working on, and future developments that will be brought to City Council for funding approval. Given the priority to house homeless individuals as quickly as possible, staff has been able to work with developers to ensure that the majority of the current pipeline projects with existing or planned commitments will include supportive housing opportunities for vulnerable residents.

The table below summarizes the status, funding, and housing capacity of all pipeline projects in the City that will provide supportive housing. It includes developments that require no City commitment at this time as they are funded by other agencies such as the County or Housing Authority.

Permanent Supportive Housing Development – Pipeline					
Capacity	Development	Funding	Source	Timeframe	Council District
134	Second Street Studios	\$6.5M	HOME Fund (445)	2018	3
162	Renascent Place	N/A	N/A	2018/19	7
55	North San Pedro	\$2.5M	Low and Moderate Income Housing Asset Fund (346)	2018	3
20	Donner Lofts	\$4.9M	HOME Fund (445)	Fall 2016	3
25	777 Park Avenue	N/A	N/A	2017	6
16	Vermont House	\$2.1M	Multi-Source Housing Fund (448)	Available	6
Total PSH Opportunities: 412					

Permanent Supportive Housing Notice of Funding Availability (PSH NOFA)

Based on the City's priority to address the homeless crisis and the unique opportunity for services and subsidy funding partnerships with the County and Housing Authority that currently exists, the Housing Department will be issuing a \$40 Million PSH NOFA for loans or conditional grants to fund new permanent supportive housing projects. The PSH NOFA will prioritize the developments that meet the following criteria:

1. Developments in which 100% of the development apartments are supportive housing for homeless and vulnerable populations. Developments must be able to qualify for Housing Authority vouchers and County of Santa Clara services. Priority occupancy will be targeted to Chronically Homeless and/or Homeless Veterans, or
2. Affordable developments with a minimum of a 20% supportive housing apartments, or 20 supportive housing apartments, whichever is greater.
3. Funding of developments as stated above will also be evaluated on the following criteria.

- a. Developments are in areas that are currently underserved. The Housing Department seeks to disperse supportive housing throughout the City.
- b. Developments are located in opportunity areas identified by the City as meeting the requirements for Cap and Trade funding. These opportunities help fund affordable development and leverage much needed transportation infrastructure in the City. Developments demonstrate reduced costs by utilizing innovative construction techniques including modular housing, sustainable features and/or provide an alternative funding mechanism for supportive services.
- c. Developments are located within walking distance of public transit.
- d. Developments incorporate green building features and universal design concepts to facilitate the concept of "aging in place" by the residents of the facility.
- e. Developments are "project ready" and can be advanced as quickly as possible.

The Department intends to release the PSH NOFA by the end of June. Once completed, the NOFA will be posted on the City's website and a notice will be sent to all developers on the Department's list of contacts.

Additional Efforts

Beyond the initiatives described above, the Housing Department is reviewing all other assets – including its pipeline projects, multi-family loan portfolio, and available vacant land – for potential supportive housing units and future supportive housing developments. The goal is to provide a range of development models – from integration in mixed-income affordable projects to stand-alone supportive housing developments – in order to meet the diverse needs of homeless populations living in San José. To further support this work, the Department will explore policy recommendations to prioritize limited City funding to developments that include supportive housing apartments. Lastly, the Department will continue to coordinate with the County, the Housing Authority, and Destination: Home to implement the “All the Way Home” initiative to end veterans’ homelessness. It will also work collaboratively to explore best practice approaches and building capacity within the region to address the housing needs of the most vulnerable individuals in our community.

Housing Department staff will be at the Neighborhood Services and Education Committee meeting on June 9, 2016 to provide a brief presentation and answer any questions related to this memo and to provide a brief verbal update on each of the key homeless housing initiatives.

/s/
JACKY MORALES-FERRAND
Director of Housing

For questions, please contact Ray Bramson, Division Manager, at
(408) 535-8234 or ray.bramson@sanjoseca.gov.



City of San José

Housing & Community Development Commission

Homeless Housing Status Report

June 9, 2016

Dave Bopf
Ray Bramson
Patrick Heisinger



Homelessness Response – Three Years Ago

Essential Services

Shelter & Outreach

Interim Solutions

Tenant Based Rental Assistance

Permanent Solutions

Vouchers

Homelessness Response – Today

Essential Services

Shelter & Outreach

Overnight Warming Centers

Faith-Based Shelters

Shower & Sanitation Program

Mobile Hygiene Program

Interim Solutions

Tenant Based Rental Assistance

TIP Program Apartments

Permanent Solutions

Vouchers

Funding Existing PSH Pipeline

Underutilized Property Conversion

Homelessness Response – Going Forward

Essential Services

Shelter & Outreach

Overnight Warming Centers

Faith-Based Shelters

Shower & Sanitation Program

Mobile Hygiene Program

Interim Solutions

Tenant Based Rental Assistance

Master-leasing Hotel/Motels

Safe Parking

Interim Housing Communities

TIP Program Apartments

Permanent Solutions

Vouchers

Creating a new PSH Pipeline

Underutilized Property Conversion

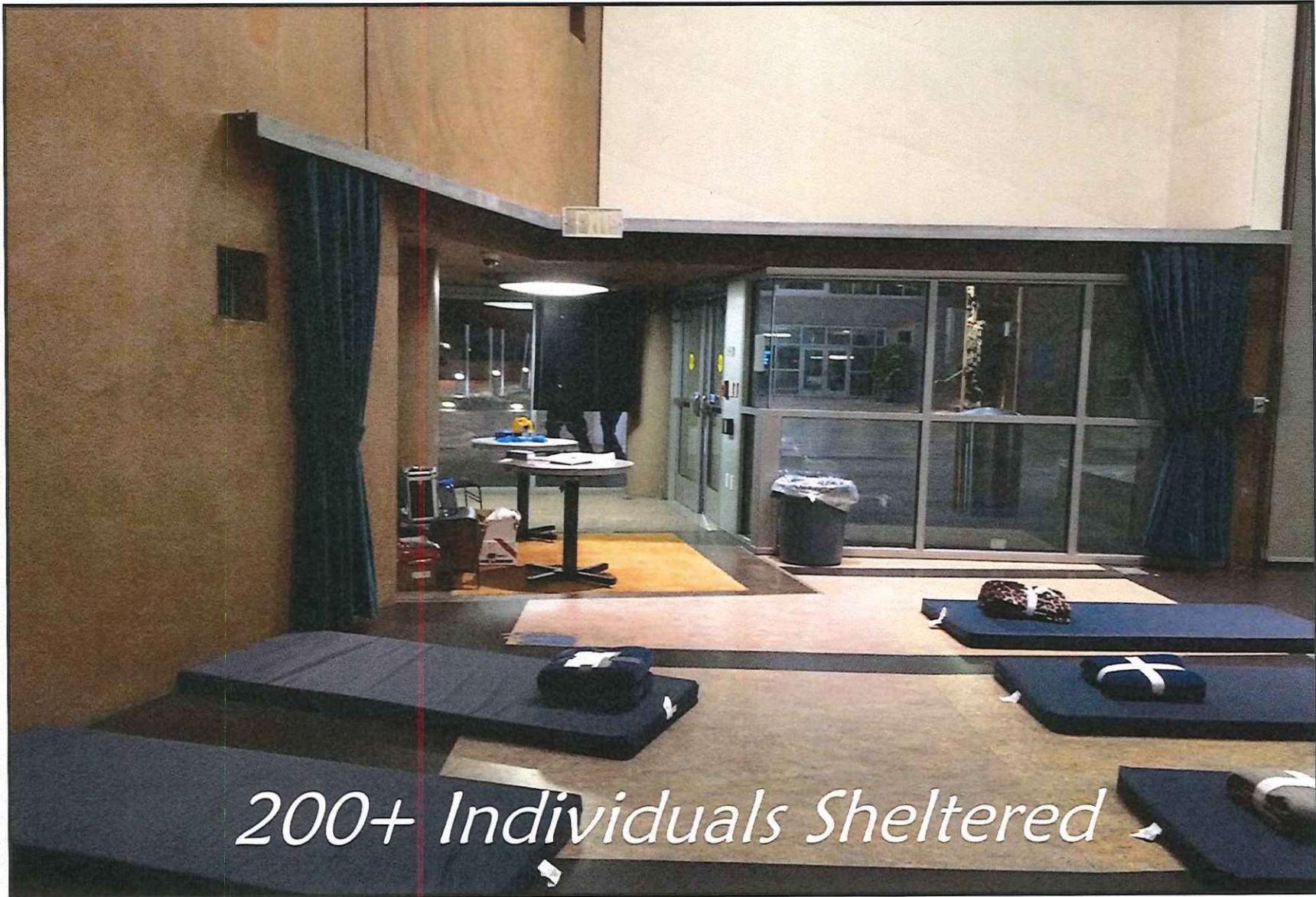
100% Supportive Housing Developments in Operation

Essential Services



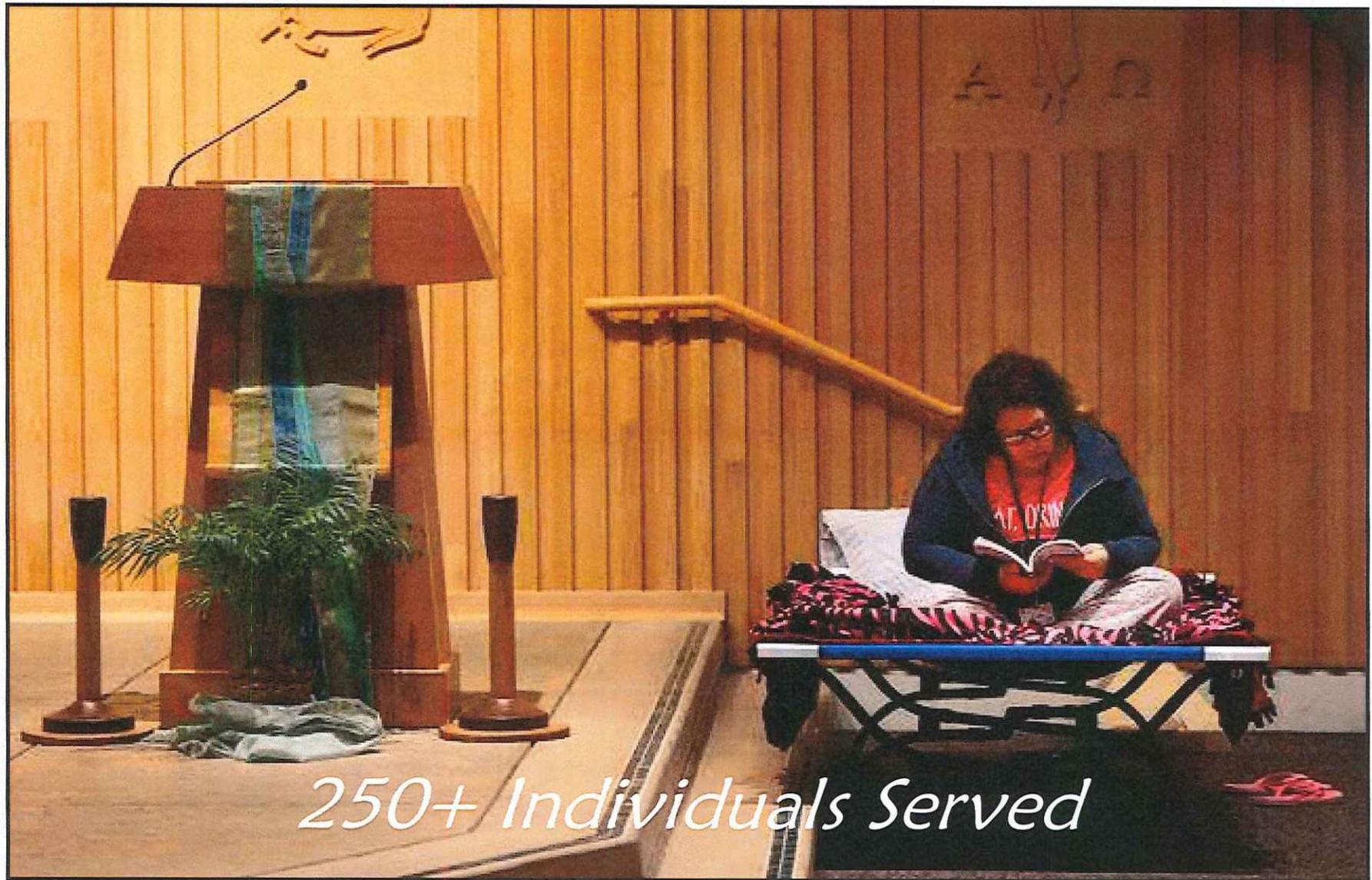
100+ Individuals Served

Inclement Weather Response



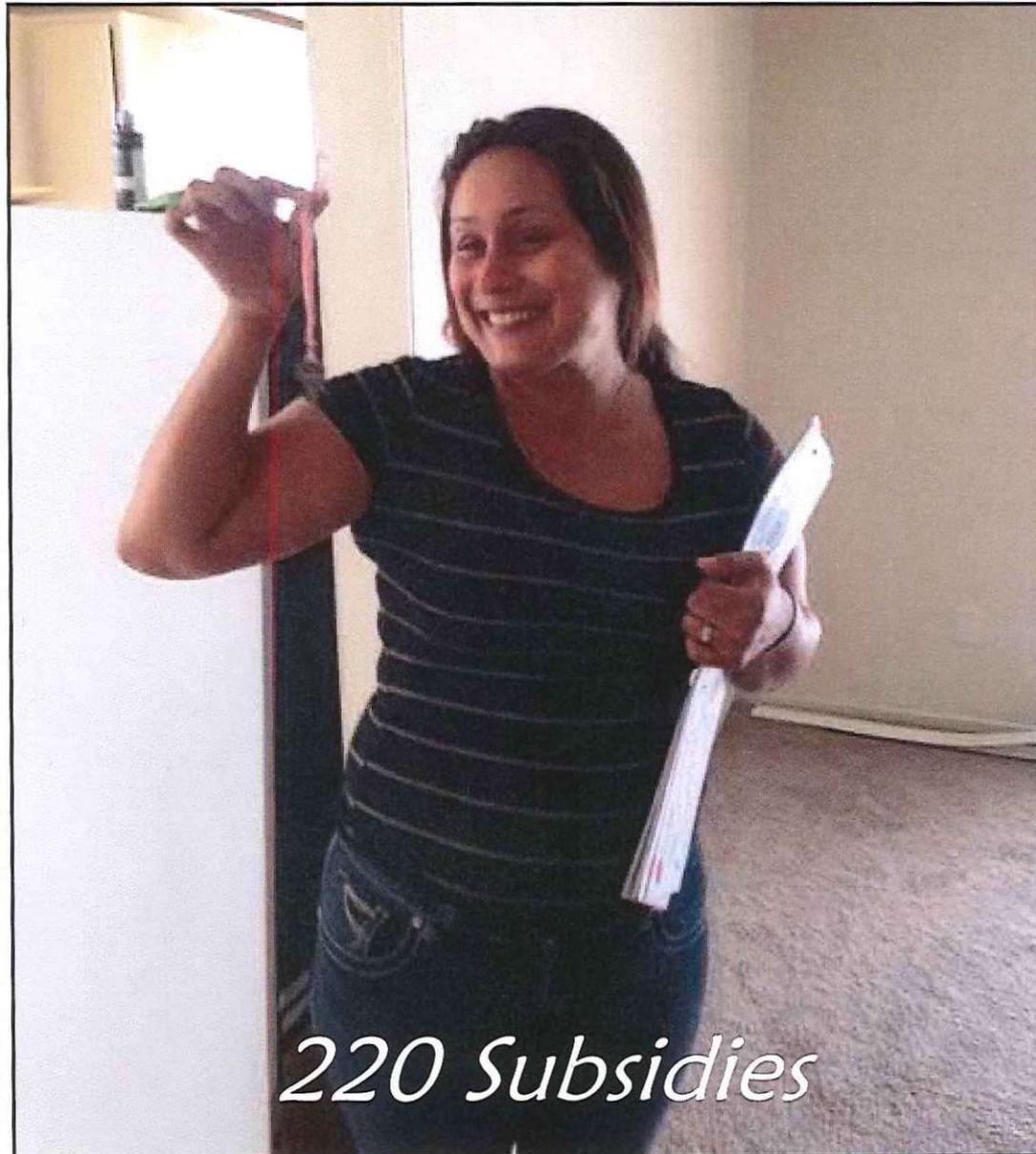
200+ Individuals Sheltered

Faith-Based Shelter



250+ Individuals Served

Tenant Based Rental Assistance



220 Subsidies

Transition in Place Program



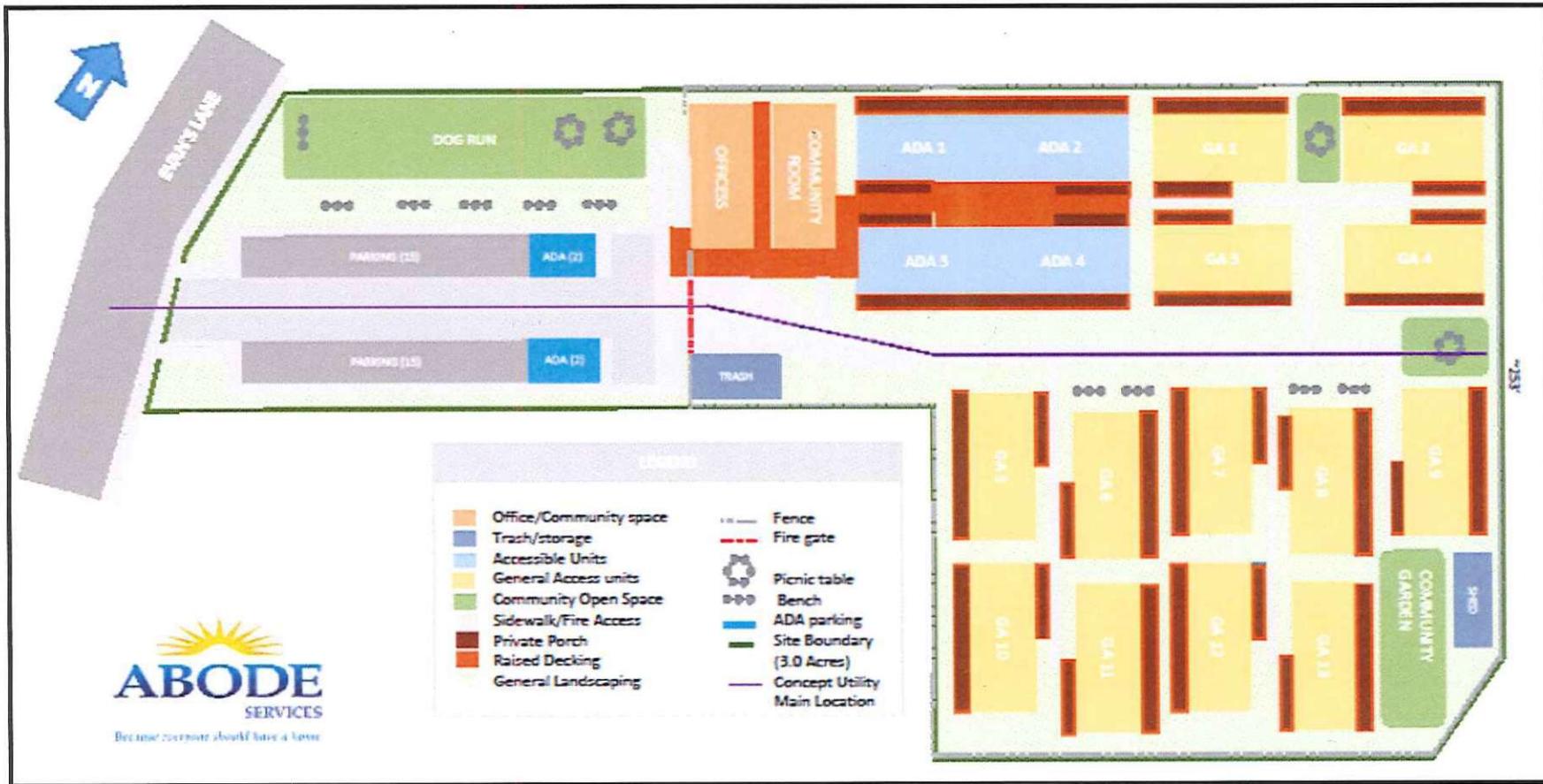
71 Total Apartments

Casa de Novo (formerly Santa Clara Inn)



56 Apartments

Interim Communities



102 Bedrooms

Interim Housing Opportunities

Project	# Units	Status	Timeframe (Goal)
Creekview	10	Approved	Completed
Santa Clara Inn	56	Approved	Completed
HIP Properties	44	Approved	2016/2017
The Plaza Hotel	48	Approved	Winter 2016
Eden Palms	8	Approved	2016/2017
Met South	9	Approved	2016/2017
Evans Lane	102	Pending	Spring 2017
226 Balbach	20	Pending	2019/2020
Totals	297		

Second Street Studios



134 Apartments

Permanent Housing Opportunities

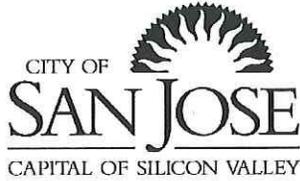
Project	# Units	Status	Timeframe (Goal)	Annual Cost Savings
Donner Lofts	20	Approved	June 2016	\$854,120
Vermont House	16	Approved	2017	\$683,296
2nd Street Studios	134	Approved	2018	\$5,722,604
777 Park Avenue	25	Approved	2018	\$1,067,650
Renascent Place	162	Pending	2018/2019	\$6,918,372
North San Pedro	55	Pending	2018/2019	\$2,348,830
Leigh Ave Seniors	63	Pending	2019/2020	\$2,690,478
Totals	475			\$20,285,350

Questions and Feedback

Current Focus and Policy Direction?

Funding/Services Prioritization?

Additional Areas of Need?



Memorandum

TO: HOUSING AND COMMUNITY
DEVELOPMENT COMMISSION

FROM: Jacky Morales-Ferrand

SUBJECT: SEE BELOW

DATE: June 2, 2016

**SUBJECT: DRAFT WORKPLAN FOR THE DEVELOPMENT OF A MOBILEHOME
PARK "OPT-IN/STAY-IN-BUSINESS" PROPOSAL**

RECOMMENDATION

It is recommended that the Housing and Community Development Commission accept the staff report and provide feedback on the draft workplan for the development of an "Opt-In/Stay-In-Business" Proposal.

BACKGROUND

During the public discourse in late-2015 and early-2016 regarding the Mobilehome Park (MHP) Conversion Ordinance, several MHP owners proposed an "Opt-In/Stay-In-Business" option as an alternative to a mobilehome park conversion/closure ordinance. In summary, the proposal is intended to incentivize MHP owners to stay in business for a set period of time in exchange for increased financial returns and certainty. The initial proposal included being able to pass along to tenants the costs of capital improvements without having to go through the regular petition and hearing process set forth in the Mobilehome Rent Ordinance. Additional incentives would allow limited vacancy decontrol when mobilehomes are sold to new owners. The most recent draft of the Opt-In/Stay-In-Business Framework, dated February 5, 2016, is attached.

In late 2015 and early 2016 City Staff planned two stakeholder meetings with park residents and two with park owners to gather feedback on the Opt-In/Stay-In-Business framework. On February 23, 2016, the City Council considered the Opt-In/Stay-In-Business concept and the feedback that had been received by staff. The motion approved by the City Council at that time is summarized below:

1. Accept the staff report on the Opt-In/Stay-In-Business concept for mobilehome parks (copy attached to this memorandum).

2. Direct the Housing Department staff to continue to work with stakeholders, including mobilehome owners and mobilehome park owners, to identify and seek compromise on resolving the economic issues that will advance the Council direction to further the protection to mobilehome parks in the City of San José.
3. If needed, bring in an outside mediator to be paid for by the mobilehome park owners.
4. Include the following direction in the further consideration of this issue:
 - a. Explore some element of consent by the residents of the mobilehome park where the park owner is proposing to utilize Opt-In/Stay-In-Business.
 - b. Capital improvements that are passed through to tenants should be capped and possibly tied to the Consumer Price Index (CPI).
 - c. Vacancy decontrol could result in lost equity for the owner for a mobilehome, so there should be a way to compensate that owner for that loss of equity.
 - d. For those mobilehome owners with a mortgage term that extends beyond the proposed 20-year Opt-In timeframe, recommend that the mobilehome park owners buy those mortgages out.

ANALYSIS

Attachment 1 provides a workplan to implement the City Council's direction which relies on an Ad Hoc Staff Advisory Committee to discuss and refine the Opt-In proposal. These representatives would be evenly divided between MHP owners and residents selected from applicants by a committee comprised of three City staff members. Staff is recommending that a neutral facilitator be retained to chair the meetings of the stakeholder committee.

The workplan includes a process for interested parties to apply for the Ad Hoc Staff Advisory committee. The City would notify the public through email and website posting. In addition Park Owners would be asked to circulate flyers to all mobilehome park residents. Attachment 2 provides additional details on the application process. Staff anticipates that the application form would be a simple one that would have boxes to check off and a simple, "typical" week calendar to indicate the nominee's availability.

In order for the Ad Hoc Staff Advisory Committee to move forward in an effective manner, the discussions will be private. In order to avoid potential conflicts of interest and Brown Act violations as well as to encourage diversity of opinion, City employees and sitting members of any City Commission will not be considered for selection as stakeholder representatives. As structured, the Ad Hoc Staff Advisory Committee is consistent with limitations of the Brown Act and state and local conflict of interest laws and policies. The results of the committee's discussions will be brought to HCDC for input and recommendation prior to going to City Council.

Clearly, there is no guarantee that park owners and residents will come to a mutually acceptable version of the Opt-In/Stay-In-Business concept. However, staff shares the City Council's desire to see whether the two sides can come to an agreement on this issue. This workplan assumes the utilization of a neutral facilitator in order to provide the best opportunity to reach consensus.

HOUSING AND COMMUNITY DEVELOPMENT COMMISSION

June 2, 2016

Subject: Draft Workplan for Mobilehome Park “Opt-in/Stay-In-Business” Proposal

Page 3

The City Council indicated that the mobilehome park owners should pay for the costs of the facilitator. At this point, the Housing Department has not been able to obtain commitment from the mobilehome park owners to pay for this service. The Department does not have unrestricted funds to contribute to the cost of the facilitator. Staff will continue to work with the owners to attempt to resolve the funding issue. If this issue is not resolved, the schedule and/or end product may be negatively impacted.

/s/

JACKY MORALES-FERRAND

Director of Housing

Attachments:

1. Draft Workplan for the development of a Mobilehome Park Opt-In/Stay-In-Business Proposal
2. Selection Criteria for Stakeholder Representatives
3. February 2, 2016 Revised Draft of “Mobilehome Park Stay-In-Business Ordinance Framework”
4. January 13, 2016 Staff Report to the Community and Economic Development Committee (CEDC) of the City Council on “Mobilehome ‘Opt-In/Stay-in-Business’ Concept”

ATTACHMENT 1**Draft Workplan for Development of a
“Mobilehome Park Opt-In/Stay-In-Business” Proposal**

Date	Event	Comments
June 9, 2016	Review of Draft Workplan by Housing and Community Development Commission (HCDC)	
June 12, 2016	Complete revisions to Workplan based on HCDC feedback.	
June 15, 2016	Issue announcement of upcoming 30-day period for application of Ad Hoc Staff Advisory Committee representatives	<ul style="list-style-type: none"> • Housing Department issues e-mail blast • Ask MHP owners to distribute paper flyers to residents • Housing Department posts notice on webpage on
July 1-31, 2016	Applications submitted to the Housing Department. Input from HCDC representatives	
August 10, 2016	Selection of up to 14 stakeholder representatives by Staff, with: <ul style="list-style-type: none"> • Up to 7 representing mobilehome park owners; and • Up to 7 representing mobilehome park residents 	<ul style="list-style-type: none"> • See Selection Criteria below • See names of Staff below • Both groups must have an equal number or representatives
September – December 2016	Meetings of Staff Advisory Committee: <ul style="list-style-type: none"> • 1st Meeting – Select neutral facilitator from list of at least two options and set future meeting dates. • Meetings 2-4 – Consideration of Opt-In/Stay-In-Business proposal and exploration of a possible compromise solution. 	
January 2017	Report results of stakeholder discussions to HCDC	

HOUSING AND COMMUNITY DEVELOPMENT COMMISSION

June 2, 2016

Subject: Draft Workplan for Mobilehome Park “Opt-in/Stay-In-Business” Proposal

Page 5

February 2017	Report results of stakeholder discussions and HCDC recommendations to City Council	
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ATTACHMENT 2

Selection Criteria for Stakeholder Representatives (Ad Hoc Staff Advisory Committee)

1. Mobilehome Park Residents (5 to 7 representatives)
 - a. Must be a current mobilehome park resident (homeowner or renter)
 - b. Must have an open mind regarding the discussion of Opt-In/Stay-In-Business
 - c. At least one representative must be over the age of 55
 - d. At least one representative must be between 18 and 55 years of age
 - e. No more than two representatives from any one mobilehome park

2. Mobilehome Park Owners (5 to 7 representatives)
 - a. Must own at least one mobilehome park within the San José city limits
 - b. Must have an open mind regarding the discussion of Opt-In/Stay-In-Business
 - c. No more than two representatives from any one mobilehome park ownership entity

In order to avoid potential conflicts of interest and Brown Act violations and to encourage diversity of opinion, sitting members of any City Commission will not be considered for selection as stakeholder representatives.

Selection Process for Ad Hoc Staff Advisory Committee Representatives

1. The City seeks stakeholder representatives from the public through email and website posting.

2. HCDC representatives provide input on applications submitted for Ad Hoc Staff Committee
 - Mike Graves, Mobilehome Landlord Representative on HCDC
 - Davlyn Jones, Mobilehome Tenant Representative on HCDC

3. City Staff Charged with Selection of Ad Hoc Staff Advisory Committee
 - Adam Marcus, Acting Policy and Planning Manager, Housing Department
 - Jenny Nusbaum, Supervising Planner, Ordinance and Policy Team, Department of Planning, Building and Code Enforcement
 - Theresa Ramos, Mobilehome Program Administrator, Housing Department

Role of the Housing Department

- Coordinate outreach for applications for stakeholder representatives
- Accept applications, consider feedback, and select representatives
- Set agenda for all stakeholder meetings
- Facilitate first stakeholder meeting
- Provide staff support for stakeholder meetings including equipment setup and notetaking

HOUSING AND COMMUNITY DEVELOPMENT COMMISSION

June 2, 2016

Subject: Draft Workplan for Mobilehome Park “Opt-in/Stay-In-Business” Proposal

Page 7

- Prepare minutes for each meeting
- Prepare final reports for HCDC and City Council

Role of Neutral Facilitator

- Ensure all items on each meeting agenda are discussed in the time allotted
- Ensure all representatives have an opportunity to speak on each agenda item
- Set and enforce ground rules to ensure meeting participants are respectful of each other
- Probe for possible solutions and compromises

MOBILEHOME PARK STAY-IN BUSINESS ORDINANCE FRAMEWORK

Revised: February 5, 2016

PURPOSES:

1. To protect and preserve Mobilehome Parks as a source of affordable housing.
2. To protect Mobilehome Parks from conversion to other uses for a fixed period of time.
3. To recognize that owners of Mobilehome Parks have the right to go out of business.
4. To encourage owners of Mobilehome Parks to remain in business.
5. To provide owners of Mobilehome Parks with the incentives to make capital improvement investments in their Mobilehome Parks.
6. To provide a mechanism to assist residents who have insufficient resources to pay the cost of capital improvement pass-throughs.

DEFINITIONS:

The definitions for the following identified items as used in the proposed Ordinance shall have the same meanings as provided in the Mobilehome Rent Ordinance commencing at Chapter 17.22.050 of the San Jose Municipal Code:

Affected rental unit, Anniversary Date, Base Rent, Dealer Pullout, Landlord, Mobilehome, Mobilehome lot, Mobilehome owner, Mobilehome park, Mobilehome resident, Owner, Party, Rent, Rental Agreement, and Rental unit. (For purposes of simplicity and convenience we are using the terms "park owner" to mean either the owner or operator of the Mobilehome Park, and "resident" to mean the persons holding a rental agreements covering both the home and the lot upon which it sits.)

The definitions of the following shall have the meanings below in the proposed Ordinance;

Capital Improvement(s) are those improvements which materially add to the value of the property, appreciably prolong its useful life, or adapt it to new uses, and which are required to be amortized over the useful life of the improvement pursuant to allowed depreciation provisions of the Internal Revenue Code, and issued pursuant thereto or as to comply with all applicable local code requirements imposed by the City affecting health and safety and improvements undertaken (this is essentially the definition out of the 1979 Rent Control Ordinance, Section 5702.2).

Rent increase shall mean any rent demanded or paid by a Mobilehome owner in excess of rent paid for the Rental unit of space immediately prior to such demand or payment.

Stay-In Business means that the Owner has agreed for a fixed term of the sooner to occur of either: (i) December 31, 2036 or (ii) 20 years from its Opt-In to remain in business and has agreed contractually to 1) not process a change in use of a Mobilehome park under Part 4 of Chapter 20.180 of San Jose Municipal Code and 2) not process a closure under State Law.

Opt-In refers to the fact that a park owner has agreed to Stay-In Business. An Owner may Opt-In at anytime at its sole option.

Capital Improvement pass-through(s) shall mean and include Capital Improvement(s) that have been approved consistent with the provisions of the Ordinance.

Fair Return on Capital Improvement Investment, which is a new investment in the park, shall be allowed, and shall be at the then prime rate as determined by the San Francisco Federal Reserve plus 2% at the time the work on the improvement commenced.

In-Place Transfer means the sale of a home by an existing Mobilehome owner to a Park Qualified Applicant.

In-Place Transfer Fee means the amount the Base Rent may increase as a result of an In-Place Transfer. The In-Place Transfer Fee shall be limited as follows:

- An amount equal to the ten percent (10%) of the then current monthly Base rent amount, not to exceed One Hundred Dollars (\$100.00) per month in the year that the Mobilehome park qualifies (as defined below in #2) for an In-Place Transfer Fee, with the \$100.00 per month cap indexed to inflation from adoption of the Ordinance.

The limits stated above shall not apply in the following cases;(1) The Mobile home owner has voluntarily removed it or caused it to be removed from the space and has terminated his or her tenancy in the park; (2) Owner has terminated Mobilehomes Owner's tenancy pursuant to one or more of the stated reasons contained in California Civil Code Section 798.56; (3) The Mobilehome subject to an In-Place Transfer has been foreclosed upon by a financial institution or private lender; and (4) a Dealer pullout. There is a no limit on the amount Owner may increase Base Rent in these cases.

2. In-Place Transfer Fee "Qualification": It is the intent of the Ordinance to encourage owners of Mobilehome parks to invest in their communities with new Capital Improvements that benefit their residents and improve Mobilehome parks.

It is also the purpose to preserve and protect Mobilehome parks for a long period of time, all intended to balance the interests and desires of Mobilehome park residents and owners of Mobile home parks. An Owner may achieve the In-Place Transfer Fee in the event it has demonstrated a cumulative investment of at least Five Hundred Dollars (\$500.00) in Capital Improvements per Mobilehome Park space multiplied by the total number of spaces in the Mobilehome Park (If the \$500 qualification has not been met within the first year after the Ordinance has been enacted, then the \$500 cumulative qualification shall adjust annually for inflation thereafter until met).

In the event that a Mobilehome Park owner invests less than the qualification amount, the Mobilehome Park owner would then not be entitled to any In-Place Transfer Fee until it has spent the qualification amount.

Provisions:

In consideration of an Owner agreeing to Opt-In to the provisions of the Ordinance; the City agrees that an Owner or Operator shall have:

1. The right to increase Base rent defined in Chapter 17.22.080 and 17.22.450; and
2. The right to pass-through Capital Improvements; and
3. The right to increase Base rent by imposition of an In-Place Transfer Fee when in compliance with the ordinance.

The right to receive a pass-through for Capital Improvements is not subject to economic qualifications as applied in the "In-Place Transfer" section. Rather the right to receive Capital Improvement pass-throughs is subject to;

An administrative review procedure undertaken by a City official qualified to evaluate the cost of Capital Improvements and has experience in all aspects of construction including contracts, change orders and bidding. Such official shall use IRS amortization schedules in order to determine the proper period of time to set for recovery of the costs of the improvements. This official shall be appointed by the City Manager's Office. The official shall professionally evaluate and be charged with making determinations based on an Owners Submittal For Reimbursement of Capital Improvements ("Owner's Submittal"). Any Owner's Submittal, the standards applied to them, and the decision of the City official in charge of the process shall be made available on the City's website. In the event that an individual Capital Improvement costs in excess of the lesser of either (i) \$1,000 per Mobilehome park space multiplied by all of the spaces within the Mobilehome park; or (ii) \$50,000, then the Owner's Submittal shall include third party estimates of at least 2 bids from State licensed contractors with at least 10 years' experience in the construction of such Capital Improvements. This will give concerned Residents and other parties the opportunity to provide written input to the city official. Such input shall, however, be directly related to the standards for approval or denial, not simply to voice opposition to the intended Capital Improvement. The Owner Submittal shall be reviewed by the City official and all residents for 30 days. The City official shall submit all questions and comments regarding the Owner Submittal to the Owner within the 30 day review period.

The standards shall include:

- A. Capital Improvements eligible for a cost pass-through must primarily benefit the residents.
- B. The amortization period shall conform to IRS amortization schedules. In cases where the improvement is not specifically listed, then the IRS schedules shall be used for guidance as to appropriate amortization period for the reimbursement of the Capital Improvement cost.
- C. Each approved Capital Improvement shall include a Fair Return on a Capital Improvement

Investment.

D. All approved Capital Improvement pass-throughs shall appear on the monthly billing for each space as a separate line item from Base rent. Annual increases in Base rent do not apply to pass-throughs. A pass-through shall be dropped from the pass-through total when the payoff period has ended, and new pass-through's shall be added to the total when they are approved.

E. A capital improvement pass-through attaches to the Mobilehome lot. Therefore any purchaser of the home becomes responsible for paying the pass-through(s).

F. Upon filing of the Owner's Submittal, each Mobilehome resident in the Mobilehome Park shall be mailed a copy of the Owner's Submittal for a Capital Improvement costing in excess of \$50,000.00. The Owner's Submittal and all supporting documentation shall be made available for review at the Park offices and on the City's Website.

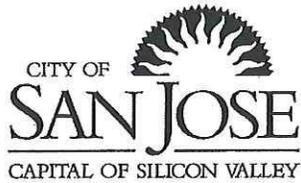
G. All Capital Improvement pass-throughs, in aggregate, shall not exceed Fifty Dollars (\$50.00) per space per month, indexed to inflation, at any time during the term of the Ordinance.

The Ordinance shall also include the following provisions:

1. ***A Capital Improvement Assistance Program:*** In order to address those limited cases where very low income residents cannot afford either all or a portion of the pass-throughs; the Park Owners have identified an independent assistance program through which they will cover such Capital Improvement pass-throughs for those residents who qualify for such assistance.

2. ***Ordinance Administrative Costs:*** All administrative costs incurred by the City of San Jose in its execution of the Ordinance shall be borne by owners of mobilehome parks that Opt-In to the Ordinance. Costs shall be recovered by the City on or before March 31 of each calendar year after a full and complete accounting of same is provided to each participating mobilehome park owner for the immediately preceding calendar year. Administrative costs shall be allocated based upon number of spaces.

3. ***Notification to Purchaser of Mobilehome:*** Consistent with State law, the Landlord shall provide a purchaser who has been approved for tenancy in the Mobilehome Park (the "Qualified Applicant") with a statement showing the Base rent the Qualified Applicant will be paying. The Owner shall also provide the Qualified Applicant with information as to the total amount of approved amortized capital improvements the Qualified Applicant will be obliged to pay as a separate line item on the monthly bill. If the Qualified Applicant so requests in writing, the Qualified Applicant may receive a list of the authorized Capital Improvement pass-through(s) included in the total and their ending dates. The Mobilehome owner and his agent must be provided with the monthly Base rent and pass-through total and shall have the right to file a complaint with the Housing Department if the Qualified Applicant believes the In-Place Transfer Fee is in excess of the amount allowed under the Ordinance.



2/23/16
COUNCIL AGENDA: 2-9-16
ITEM: 4.1 4.3

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Toni J. Taber, CMC
City Clerk

SUBJECT: SEE BELOW

DATE: January 29, 2016

SUBJECT: Mobilehome "Opt-in/Stay in Business" Concept

RECOMMENDATION:

As recommended by the Community and Economic Development Committee on January 25, 2016, accept the report on the Opt-in/Stay in Business concept for mobilehome parks and provide input as to whether the Housing Department should continue to work with stakeholders to further refine and analyze this concept or if the Department should cease work on this item.



Memorandum

TO: COMMUNITY & ECONOMIC
DEVELOPMENT COMMITTEE

FROM: Jacky Morales-Ferrand

SUBJECT: SEE BELOW

DATE: January 13, 2016

Approved

Kia Walsh

Date

Jan. 14, 2016

SUBJECT: MOBILEHOME "OPT-IN/STAY IN BUSINESS" CONCEPT

RECOMMENDATION

It is recommended that the Committee accept the report on the Opt-in/Stay in Business concept for mobilehome parks and provide input to the full City Council on February 9, 2016 as to whether the Housing Department should continue to work with stakeholders to further refine and analyze this concept or if the Department should cease work on this item.

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 policy changes. On June 22, 2015 staff presented a proposed work plan on the Mobilehome Park Preservation Policies/Conversion Ordinance Update to the CED Committee. The workplan recommended 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) including the Mobilehome Conversion Ordinance in Chapter 20.180, and a new City Council Policy on the Conversion of Mobilehome Parks to Other Uses.¹ The Committee accepted the work plan and directed staff to meet with MHP owners and operators to include their input into the work plan prior to presenting it to Council for discussion and action.

Staff facilitated two focus group meetings with MHP 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. The CED report and the work plan that staff proposed was presented at a Council hearing held on August 11, 2015. In response to recommendations made by Councilmembers in two

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

separate Councilmembers' memoranda submitted prior to the hearing, the City Council adopted two motions as follows:

1. The report was accepted, including the joint memorandum from Mayor Sam Liccardo, Vice Mayor Rose Herrera and Councilmembers Chappie Jones, Manh Nguyen and Tarn 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' recommendations including: (a) direct Housing staff to meet with stakeholders and MHP 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 MHPs with Urban Village designations and the implications for MHP residents with respect to conversion.

The "Opt-in/Stay In Business" concept was proposed by Brandenburg, Staedler & Moore in consultation with other park owners. These owners indicated that another ordinance, the City's Mobilehome Rent Ordinance (Chapter 17.22 of the San José Municipal Code), 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 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 additional financial returns. Park owner stakeholders also commented that the amount of the annual increase on rents remains the same regardless of the level or type of new investment. Generally speaking, the Opt-in/Stay In Business concept would provide mobilehome park owners with additional financial incentives in exchange for making needed capital improvements and keeping their parks operating for a certain period of time. The current proposal requires a twenty year time period 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. To be eligible to receive the pass through, the owners must show that they are not able to maintain the inflation-adjusted level of financial return that they received before the imposition of rent control. 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 City staff several 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 (a) to encourage mobilehome park owners to stay in business by providing them with economic incentives, (b) to facilitate capital infrastructure improvements in aging mobilehome parks, and (c) 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 described in the Mobilehome Rent Ordinance. The process currently in use requires park owners to substantiate capital expenses, to show that they are not able to maintain the inflation-adjusted level of financial return, and a hearing officer to determine how much of the costs can be passed through to park residents in the form of space rent increases. This hearing also provides the only opportunity for residents to obtain relief for service reductions. The park owner's concept would make it significantly easier for owners to pass through capital improvement costs as no review of the owner's books or determination of resident benefit would be required. 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 Opt-In/Stay In Business 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. The goal of the stakeholder outreach was to receive input from mobile home residents who either represented mobile home communities or who were already involved in the preservation discussions. The outreach was limited to allow for more focused discussion and to further develop the concept before conducting more extensive outreach. The input received in writing is provided as an attachment to this memo. A summary of the input received in writing and at the meetings 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 the annual 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 would allow rents to be raised to market rate upon transfer or sale of a mobilehome. The park owners indicated this was important because the Mobilehome Rent Ordinance constrains rents well below market value and inflates the market value of mobilehomes in San José. Park owners stated that new mobilehome owners are buying a home as well as the right to live in a rent-

controlled park. By allowing limited vacancy decontrol, park owners argued they would receive some of the value that rent control has created.

In a letter to the Mayor dated December 23, 2015, 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. As a result, some key feedback was not received that would have facilitated the resident stakeholder discussion. For example, owners agreed to limit the amount of the capital improvement pass-through and the level of the increase when a mobile home is sold. The owners agreed to return with proposed monthly limits, but this did not occur because the park owners withdrew from the public process. This information would have greatly enhanced the resident discussions because the residents feared the monthly limits would be too high.

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.

Opt-In Proposal	Park Owners Comments –	Park Residents Comments
The owner is the only party required to make the decision on whether to opt-in.	There was a concern that if park residents were allowed to vote then the Opt-In would never be feasible because park residents would oppose the program. It would be too difficult to obtain their support.	An affirmative vote by the majority of park residents must be required. The level of support varied from a simple majority to a super majority to 100% support.
20 year period.	Some owners said 15 years was too long, others supported up to 20 years.	The period should be longer.

COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE

January 13, 2016

Subject: Mobilehome Opt-in/Stay In Business Concept

Page 5

		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.	Park owners supported the proposed process.	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 Improvement increases would be allowed via an expedited administrative approval process.	IRS guidelines are less subjective than the standards in the Mobilehome Rent Ordinance. Some owners also agreed to limit the amount of the capital improvement increase but did not specify the limit.	Concern that IRS guidelines are too open and that residents should have a say in what gets approved. Some expressed a concern that only a staff review would be needed. One suggestion was to add an owner and resident to the review process.
Resident Assistance to low income tenants for extra pass through costs	Assist up to 10% of homes in a given park by not imposing the additional capital improvement pass through increase.	10% is not enough because more than 10% of park residents may be low income. Should be determined by need.
Increase Base Rent when a home is sold to a new owner occupant. (Limited Vacancy Decontrol)	Raise the rent by some amount when an in-place transfer occurs. Some owners agreed to place a cap on the increase but did not specify the cap.	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 develop 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. In particular, the residents want a voice in whether their park participates in any opt-in program. However, it may be possible to make more progress on the concept if there was additional specificity to the concept – such as a definition of what a capital improvement is and if numbers

were added to the limits on increases. Unfortunately, because the park owners withdrew, staff have been unable to confirm what limits the park owners would agree to.

Staff is not aware of any jurisdictions that have an ordinance implementing an opt-in concept that ties changes in rent regulation to an agreement not to seek a discretionary land use entitlement. Thus, staff will need to work with the Attorney's Office to better understand whether and how the concept might be implemented. Given that it could result in significant changes to the Mobilehome Rent Ordinance and might result in changes to rent regulation in the majority of the City's mobilehome parks, another key issue is how to ensure that the opt-in period would be enforceable.

Under the existing Mobilehome Rent Ordinance, park owners can obtain many of the benefits listed in the Opt-In Concept by entering into voluntary long term leases with their residents. A space rented under long-term lease is not subject to the Mobilehome Rent Ordinance during its term.

If the Housing Department is directed to continue to work on the Opt-In Concept, then a workplan and timeline would be developed to further refine and analyze this concept. This should be done through the City's priority setting process. However, without park owner participation, it is unlikely that the staff could successfully develop an Opt-In Program.

PUBLIC OUTREACH

Public outreach was conducted in two phases. The first phase focused on 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) including the Mobilehome Conversion Ordinance in Chapter 20.180, and a new City Council Policy on the Conversion of Mobilehome Parks to Other Uses. City staff mailed postcards to 10,949 mobilehome residents announcing three large public meetings, providing City staff contact information, and a link to a project webpage for future updates. In addition staff maintained a data base of email addresses and sent email announcements regarding meetings and documents being posted on the webpage. To date there have been twelve focus group, public meetings and hearings relating to this topic.

The second phase of public outreach focused on the "Opt-in/Stay In Business" concept. On November 23, 2015, 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 residents and letters to park owners. The Housing Department hosted two focus group meetings intended for park owners (12/3/15 and 1/4/16) and two for park residents (12/7/15 and 1/5/16). This item is scheduled to be heard at the Housing and Community Development Commission (HCDC) meeting on January 14, 2016.

COORDINATION

This reported was coordinated with the City Attorney's Office and the Department of PBCE.

COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE
January 13, 2016
Subject: Mobilehome Opt-in/Stay In Business Concept
Page 7

CEQA

Not a Project, File No. PP10-069 (a), Staff Report.

COMMISSION RECOMMENDATION

This item will be heard by the Housing and Community Development Commission (HCDC) on January 14, 2016. The Commission's recommendation will be included in a supplemental memo to this memo.

CEQA

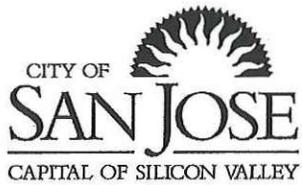
Not a Project, File No. PP10-069 (a), Staff Report.

/s/
Jacky Morales-Ferrand
Director, Department of Housing

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

Attachments

1. Mobilehome Opt-In Stay In Business Summary DRAFT
2. Public Correspondence



2/23/16
COUNCIL AGENDA: ~~2-9-16~~
ITEM: ~~4.1~~ 4.3

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Toni J. Taber, CMC
City Clerk

SUBJECT: SEE BELOW

DATE: January 29, 2016

SUBJECT: Mobilehome "Opt-in/Stay in Business" Concept

RECOMMENDATION:

As recommended by the Community and Economic Development Committee on January 25, 2016, accept the report on the Opt-in/Stay in Business concept for mobilehome parks and provide input as to whether the Housing Department should continue to work with stakeholders to further refine and analyze this concept or if the Department should cease work on this item.



Memorandum

TO: COMMUNITY & ECONOMIC
DEVELOPMENT COMMITTEE

FROM: Jacky Morales-Ferrand

SUBJECT: SEE BELOW

DATE: January 13, 2016

Approved

Date

SUBJECT: MOBILEHOME "OPT-IN/STAY IN BUSINESS" CONCEPT

RECOMMENDATION

It is recommended that the Committee accept the report on the Opt-in/Stay in Business concept for mobilehome parks and provide input to the full City Council on February 9, 2016 as to whether the Housing Department should continue to work with stakeholders to further refine and analyze this concept or if the Department should cease work on this item.

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 policy changes. On June 22, 2015 staff presented a proposed work plan on the Mobilehome Park Preservation Policies/Conversion Ordinance Update to the CED Committee. The workplan recommended 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) including the Mobilehome Conversion Ordinance in Chapter 20.180, and a new City Council Policy on the Conversion of Mobilehome Parks to Other Uses.¹ The Committee accepted the work plan and directed staff to meet with MHP owners and operators to include their input into the work plan prior to presenting it to Council for discussion and action.

Staff facilitated two focus group meetings with MHP 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. The CED report and the work plan that staff proposed was presented at a Council hearing held on August 11, 2015. In response to recommendations made by Councilmembers in two

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

January 13, 2016

Subject: Mobilehome Opt-in/Stay In Business Concept

Page 2

separate Councilmembers' memoranda submitted prior to the hearing, the City Council adopted two motions as follows:

1. The report was accepted, including the joint memorandum from Mayor Sam Liccardo, Vice Mayor Rose Herrera and Councilmembers Chappie Jones, Manh Nguyen and Tarn 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' recommendations including: (a) direct Housing staff to meet with stakeholders and MHP 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 MHPs with Urban Village designations and the implications for MHP residents with respect to conversion.

The "Opt-in/Stay In Business" concept was proposed by Brandenburg, Staedler & Moore in consultation with other park owners. These owners indicated that another ordinance, the City's Mobilehome Rent Ordinance (Chapter 17.22 of the San José Municipal Code), 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 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 additional financial returns. Park owner stakeholders also commented that the amount of the annual increase on rents remains the same regardless of the level or type of new investment. Generally speaking, the Opt-in/Stay In Business concept would provide mobilehome park owners with additional financial incentives in exchange for making needed capital improvements and keeping their parks operating for a certain period of time. The current proposal requires a twenty year time period or through the implementation timeframe of the current General Plan.

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COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE

January 13, 2016

Subject: Mobilehome Opt-in/Stay In Business Concept

Page 5

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ANALYSIS

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January 13, 2016

Subject: Mobilehome Opt-in/Stay In Business Concept

Page 6

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COORDINATION

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January 13, 2016

Subject: Mobilehome Opt-in/Stay In Business Concept

Page 7

CEQA

Not a Project, File No. PP10-069 (a), Staff Report.

COMMISSION RECOMMENDATION

This item will be heard by the Housing and Community Development Commission (HCDC) on January 14, 2016. The Commission's recommendation will be included in a supplemental memo to this memo.

CEQA

Not a Project, File No. PP10-069 (a), Staff Report.

/s/

Jacky Morales-Ferrand
Director, Department of Housing

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

Attachments

1. Mobilehome Opt-In Stay In Business Summary DRAFT
2. Public Correspondence

RESOLUTION NO. 14-3

A RESOLUTION OF THE HOUSING AND COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SAN JOSE AMENDING AND RESTATING ITS INTERIM BYLAWS FOR THE ORGANIZATION OF THE COMMISSION, MEMBERSHIP, OFFICERS, AND MEETINGS, AND PROVISION FOR ELECTION OF OFFICERS.

BE IT RESOLVED BY THE HOUSING AND COMMUNITY DEVELOPMENT COMMISSION:

WHEREAS, on May 21, 2013 the Council of the City of San Jose adopted Ordinance No. 29250 amending Chapter 2.08 of Title 2 of the San Jose Municipal Code;

WHEREAS, the amendments made by Ordinance No. 29250 included the establishment of the Housing and Community Development Commission ("HCDC") pursuant to Part 28 of Chapter 2.08 of Title 2 of the San Jose Municipal Code;

WHEREAS, Ordinance 29250 amended the San Jose Municipal Code Section 2.08.080 to provide that most commissions including HCDC shall conduct their meetings pursuant to standardized rules and regulations developed by the City Clerk;

WHEREAS, the Commission previously adopted temporary rules and regulations ("Interim Bylaws") to govern its meetings until the Clerk has completed the standardized rules and regulations;

WHEREAS, the Commission previously amended the Interim Bylaws to change its meeting night to the third Thursday of the month, and adjust the number of members on the Commission consistent with Part 28 of Chapter 2.08 of Title 2 of the San Jose Municipal Code;

WHEREAS, the Commission previously amended the Interim Bylaws to change its meeting night to the second Thursday of the month, update the quorum to reflect changes and make other technical changes;

WHEREAS, the Commission now wishes to amend and restate the Interim Bylaws to change its nomination and election calendar for Chair and Vice Chair;

NOW, THEREFORE, the following are hereby adopted by the Housing and Community Development Commission as its Interim Bylaws:

**RULES AND REGULATIONS OF THE
HOUSING AND COMMUNITY DEVELOPMENT COMMISSION**

ARTICLE 1

THE COMMISSION

Section 100. Name of Commission.

Pursuant to San Jose Municipal Code Section 2.08.2800, the Housing and Community Development Commission was established as the successor to and continuation of (a) the City commissions identified in Chapters 17.22 and 17.23 and related regulations; and (b) the Housing and Community Development Advisory Commission. The official body referred to in these Rules and Regulations shall be known and referred to as the "Housing and Community Development Commission" or, in the alternative, the "Commission" or "HCDC."

Section 101. Office of Board.

The official office and mailing address of the Commission shall be:

Secretary, HCDC
Department of Housing
200 East Santa Clara Street, 12th Floor
San Jose, CA 95113

Section 102. Meeting Place of Board.

Except as otherwise may be provided by the Commission from time to time, the regular meeting place of the Commission shall be located at 200 East Santa Clara Street, San Jose, California in the room designated in the posted agenda.

Section 103. Number of Members.

The number of members shall be as provided in Part 28 of Chapter 2.08 of the San Jose Municipal Code.

Section 104. Terms of Office.

Subject to any applicable provisions of the Commission's Citizen Participation Plan, each person appointed to a seat on the Commission shall serve for a term consistent with his or her appointment and San Jose Municipal Code Section 2.08.150.

Section 105. Vacancies in Office.

Vacancies in the office of a member of the Commission, shall be governed by the applicable provisions of the San Jose Municipal Code, and applicable provisions of the Commission's Citizen Participation Plan, if any.

Section 106. Brown Act, Sunshine Policy, Conflicts.

The Commissions meetings and any subcommittee meetings shall comply with the applicable requirements of the Ralph M. Brown Act, California Government Code Sections 54950 et seq., and City policies, including the City's Sunshine policy. The absence of those requirements in these interim bylaws is not a waiver. In an event of a conflict between the provisions of these Interim Bylaws and the Ralph M. Brown Act, California Government Code

Sections 54950 et seq., other applicable State laws, City ordinances, or City policies, those laws, ordinances and policies shall control over these Interim Bylaws.

ARTICLE II

OFFICERS

Section 200. Enumeration of Officers.

The officers of the Commission shall be a Chair, a Vice-Chair and a Secretary.

Section 201. Election of Officers.

The Chair and Vice-Chair of the Commission shall be elected by the members of the Commission.

Section 202. Term of Office of Chair and Vice-Chair.

The term of Office of the Chair and Vice-Chair of the Commission shall be one (1) year unless a different term length is established by the Commission at or prior to the election of the Chair and Vice-Chair. To the extent feasible the following calendar shall be used for nominations and elections: nominations and elections for Chair and Vice Chair of the Commission shall be held at the ~~June~~ ~~November~~ meeting of the Commission and ~~elections shall be held at the at the December meeting of the Commission.~~ The term of the Chair and Vice Chair shall commence immediately upon election. In the event of a vacancy or removal of the Chair or Vice-Chair prior to the expiration of the term of the office, the successor shall be elected for the unexpired period of the term for which the preceding Chair and Vice-Chair had been designated.

Section 203. Removal of Chair and Vice-Chair from Office.

The Commission, by majority vote, may remove the Chair or Vice-Chair from office at any time for any reason, and appoint a new Chair or Vice-Chair for the unexpired term of office of the removed Chair.

Section 204. Qualifications of Chair.

The Chair of the Commission shall be one of the members of the Commission.

Section 205. Powers and Duties of Chair.

The Chair shall have the following powers and duties:

(a) Preside at all meetings of the Commission, and at all hearings conducted by the Commission.

(b) Perform such other duties as may be required either by the City Council or by resolution or order of the Commission.

Section 206. Qualifications of Vice-Chair.

The Vice-Chair of the Commission shall be one of the members of the Commission.

Section 207. Powers and Duties of Vice-Chair.

The Vice-Chair shall have the following powers and duties:

(a) All powers and duties of the Chair in the event of the absence or disability of the Chair.

(b) Perform such other duties as may be required either by the City Council or by resolution or order of the Commission.

Section 208. Chair Pro Tempore.

In the event of the absence or disability of the Chair and Vice-Chair, at any meeting or hearing of the Commission, the Commission shall elect one of its members as Chair pro tempore to preside over such meeting or hearing.

Section 209. Secretary.

The Secretary of the Commission shall be the Director of the Department of Housing, City of San Jose, or authorized representative.

Section 210. Powers and Duties of Secretary.

The Secretary (or authorized representatives or deputies) shall have the following powers and duties:

(a) Prepare Agendas, attend all meetings and hearings of the Commission, and prepare action minutes of such meetings or hearings.

(b) Keep and have custody of all minutes, books, records and papers of the Commission, and certify true copies thereof whenever necessary.

(c) Assist Chair in maintaining order in meetings and hearings.

(d) Do all other things required by resolution or order of the Commission, provided such order or resolution is within the scope of the Commission's duties.

ARTICLE III

MEETINGS

Section 300. Regular Meetings.

Regular meetings of the Commission shall be held monthly without official notice at **5:45 p.m. on the Second Thursday** of each and every month. If the scheduled time for a regular meeting should fall on a City holiday, the regular meeting shall take place at 5:45 p.m. of the following Thursday; provided, that the Commission may, at its immediately preceding regular meeting, specify some other time and date.

Section 301. Special Meetings.

Special meetings of the Commission may be called at any time by the Chair, or by a majority of members by contacting the Secretary and requesting that notice of a special meeting be sent. The notice of a special meeting shall specify the time, place, and the business to be conducted or transacted at the meeting. No other business shall be considered at the special meeting. The notice shall be filed with the Secretary at the address specified in Section 101 herein. The Secretary shall cause a copy of the notice to be served upon each member of the Commission at least twenty-four (24) hours before the time of the meeting specified in the notice either by personal delivery or by mail. Each member shall, for mailing purposes, file his/her name and address with the Secretary.

Written notice may be dispensed with as to any member who at or prior to the time the meeting convenes files with the Secretary a written waiver of notice. Written notice may also be dispensed with as to any member who is actually present at the meeting at the time it convenes.

Written notice of a special meeting shall also be mailed or personally delivered to each local newspaper of general circulation, radio or television station requesting notice in writing.

The written notice shall be posted at least twenty-four (24) hours prior to the special meeting in a location that is freely accessible to members of the public.

Section 302. Quorum.

Pursuant to Section 2.08.090 of the San Jose Municipal Code, a quorum to do business shall be, a majority of the total number of seats, whether filled or vacant, although a lesser number may adjourn from time to time.

In the absence of all the members of the Commission from any meeting the Secretary of the Commission may adjourn the meeting or adjourn the meeting to a stated time.

Section 303. Procedure.

Except as otherwise provided by the Commission, the procedure to be followed by the Commission at its meetings shall be that set forth in Robert's Rules of Order.

Section 304. Ayes and Noes.

All voting by Commission members shall be by "ayes" and "noes", and shall be entered by the Secretary in the record of the Commission proceedings. Upon request of any member of the Commission, a roll call vote shall be taken on any matter upon which a vote is called, and shall be recorded by the Secretary in the record of the Commission's proceedings.

Section 305. Order of Business.

At Commission meetings, the regular order of business shall be conducted in accordance with the agenda prepared for the meeting. The Commission may modify or rearrange the order of the items or matters listed on each meeting's agenda at any meeting. The Commission may, from time to time, adopt by minute order a new or revised agenda and order of business with such agenda topics or headings listed in such order as is consistent with the Brown Act and as may be convenient or desirable for the conduct of Commission business.

Section 306. Matters for Agenda.

Notification of matters to be presented to the Commission shall be given or delivered to the Secretary at least in advance of the Commission meeting prior to the deadline specified by the Secretary. Agendas shall be posted at least seventy-two (72) hours before each regular meeting in a location that is freely accessible to members of the public. The Secretary shall cause the agenda to be posted.

(a) Public Discussion on Agendized Items. Upon calling the meeting to order and before any motion is adopted relating to the merits of the matter to be heard, the Chair shall inquire if there are any persons present who desire to speak on the matter which is to be heard or to present evidence respecting the matter. Any person desiring to so speak or present evidence shall submit a speakers request card and submit it to a City Staff Member before the item is heard. Upon being recognized by the Chair, such person may speak or present evidence relevant to the matter being heard.

No person shall be denied the right to speak because he or she declines to disclose his or her name, address or telephone number. However, no person shall be permitted to speak or present evidence until he or she is recognized by the Chair and given permission by the Chair to present evidence or to speak. Members of the Commission who wish to ask questions of the people or of each other, or who wish to discuss the subject matter of the hearing during the course of the hearing, may do so, but only after being recognized by the Chair.

Time limits for oral comment shall be three (3) minutes for an individual. However, the Chair, in his or her discretion, may extend such time as he or she may find reasonable under the circumstances or may further limit the time for comment if the time anticipated to complete the agenda is unusually long.

Section 307. Matters Not on Agenda.

If a person or group of persons wishes to present to the Commission at a Commission meeting a written or oral comment or communication regarding a subject within the jurisdiction of the Commission which has not been placed on the Commission's agenda pursuant to Section 306 (above), such will be permitted at the time the Commission takes up "Public Comment", as shown on the agenda. Any person or group of persons desiring to speak to the Commission respecting the subject matter of such comment or communication will be permitted to do so personally or through authorized representatives. No person shall be permitted to speak unless he or she first submits a speakers request card and is recognized by the Chair and given permission by the Chair to speak. Any person desiring to so speak shall submit a speakers request to speak card to City Staff Member. No person shall be denied the right to speak because he or she declines to disclose his or her name, address or telephone number on the speakers request card. However, no person shall be permitted to speak until recognized by the Chair and given permission by the Chair to speak.

Time limits for oral petition shall be three (3) minutes for an individual and ten (10) minutes for a group. However, the Chair, in his or her discretion, may extend such time as he or she may find reasonable under the circumstances or may further limit the time if the time to complete the agenda has been unusually long.

ARTICLE IV

COMMITTEES AND TASKFORCES

Section 400. Subcommittee.

The Commission shall have the power to create one or more subcommittees from time to time which subcommittees shall serve at the pleasure of the Commission.

Section 401. Officers.

Each subcommittee created pursuant to Section 400 shall have a Chair and Vice-Chair, and such other officers as may be required who shall be selected by, and serve at the pleasure of, the Commission. Such officers shall have such powers and duties as the Commission may from time to time determine.

Section 402. Grants Subcommittee.

The Chair of the Commission shall have the power, without the need for Commission approval, to create a Grants subcommittee which may hold hearings and take up any matters as necessary or convenient for ensuring compliance with federal and other funding requirements, to appoint and replace subcommittee members and alternates, to appoint and replace the Chair and Vice Chair of the Grants subcommittee. Provided however, such actions of the Chair shall be reported at the next Commission meeting.

Section 403. Other City Commissions, Committees or Taskforces.

Upon request of the Mayor, or City committee, commission or taskforce, the Chair of the Commission shall have the power, without the need for Commission approval, to appoint a member of the Commission to represent the Commission on a City committee, commission or taskforce.

Rules and Regulations of the Housing and Community Development Commission adopted the 9th day of June, 2016, by the following vote:

AYES:

NOES:

ABSENT:

Secretary

Chair