

CITY OF SAN JOSÉ
HOUSING AND COMMUNITY DEVELOPMENT
COMMISSION

September 10, 2015 AT 5:45 PM
 SAN JOSÉ CITY HALL
 200 E. SANTA CLARA ST.

LOCATION: CITY HALL WING ROOMS 118 & 119
 SAN JOSÉ, CA 95113



Martha O'Connell, Chairperson
 Amanda Montez, Vice Chair

Commissioners

Michael Fitzgerald	Davlyn Jones	Gary Prideaux
Bob Gill	Melissa Medina	Alex Shoor
Mike Graves	Steven Neff	Lee Thompson
Victoria Johnson	Patrick Ngo	

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 August 13, 2015 Regular Meeting ACTION: Recommend approval of the August 13, 2015 minutes
6:00	(d) Chair's Report (M. O'Connell, Chair)
6:10	(e) Public Hearing on the FY 2014-15 Consolidated Annual Performance and Evaluation Report (CAPER) (J. Stagi, Housing Department) ACTION: Recommend to the City Council approval of the FY 2014-15 Consolidated Annual Performance and Evaluation Report (CAPER)
6:25	(f) Update on Mobilehome Conversion/Preservation Process and Proposed Ordinance to Establish a Temporary Six-month Moratorium on the Conversion or Closure of Mobilehome Park Uses (A. Marcus, Housing Department) ACTION: Potential letter from the Chair of the HCDC in support of the proposed ordinance to establish a temporary six-month moratorium on the conversion or closure of mobilehome park uses

- 6:45 (g) **Update on the Annual HCDC Retreat (D. Bopf, Housing Department)**
ACTION: None
- 6:55 (h) **Draft FY 2014-15 HCDC Workplan and Accomplishments (D. Bopf, Housing Department)**
ACTION: Possible approval of FY 2014-15 HCDC Workplan to submit to Rules & Open Government Committee
- 7:05 (i) **Director's Report (D. Bopf, Housing Department)**
- 7:10 (j) **Open Forum**
- 7:15 (k) **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>

DRAFT

HOUSING & COMMUNITY DEVELOPMENT COMMISSION

REGULAR MEETING ACTION MINUTES

AUGUST 13, 2015

MEMBERS PRESENT: Martha O’Connell Chair
 Amanda Montez Vice Chair
 Michael Fitzgerald Commissioner
 Bob Gill Commissioner
 Mike Graves Commissioner
 Victoria Johnson Commissioner
 Davlyn Jones Commissioner
 Melissa Medina Commissioner
 Gary Prideaux Commissioner
 Alex Shoor Commissioner (5:49pm)
 Lee Thompson Commissioner

MEMBERS ABSENT: Patrick Ngo Commissioner (excused)
 Steven Neff Commissioner (excused)

STAFF: Jacky Morales-Ferrand Housing Department
 Wayne Chen Housing Department
 James Stagi Housing Department
 Ray Bramson Housing Department
 Patrick Heisinger Housing Department
 Robert Lopez Housing Department
 Dan Block Vice Mayor Herrera’s Office

(a) **Call to Order/Orders of the Day**—Chair O’Connell opened the meeting at 5:47pm. Commissioner Jones made the motion to approve the Orders of the Day with a second by Commissioner Prideaux. The motion passed unanimously (10:0).

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

(c) Approval of the Action Minutes for the June 11, 2015 Regular Meeting

Commissioner Graves made the motion to approve the minutes for the June 11, 2015 with a second by Vice Chair Montez. The motion passed unanimously with an abstention by Commissioner Thompson (10:0).

(d) Chair’s Report (Chair O’Connell)

No report.

**(e) Mobilehome Park Preservation/Conversion Update
 (W. Chen, Housing Department)**

Mr. Chen provided an update on the mobilehome park preservation/conversion item and next steps.

DRAFT

(f) Public Hearing: Federal Grant Recommendations (R. Bramson Housing Department)

Mr. Bramson gave a summary of the federal grant recommendations and asked if the Commission had any questions.

Commissioner Thompson asked if the competing agencies were close in scoring. Mr. Bramson replied no, the awarding agency's scores were significantly higher.

Chair O'Connell opened the public hearing.

Pilar Furlong representing the Bill Wilson Center thanked City staff for considering approval of the recommended funding and that the award will be funding five different agencies as a collaborative effort.

Vice Chair Montez made the motion to support staff's Federal Homeless Grant recommendations to City Council with a second by Commissioner Johnson. The motion passed unanimously (11:0).

(g) Interim Homeless Housing Initiatives (R. Bramson, Housing Department)

Mr. Bramson gave a verbal update on interim homeless housing initiatives and informed the Commission that staff will return in September for input.

(h) Impact Fee Update (P. Heisinger, Housing Department)

Mr. Heisinger provided an update on the Housing Impact fee and Inclusionary ordinance as well as informed the Commission that staff will be working on a commercial linkage fee.

(i) Review of Draft FY 2014-15 HCDC Workplan & Accomplishments (W. Chen, Housing Department)

Mr. Chen summarized the Commission's accomplishments from the past year.

(j) 2015-2016 HCDC Workplan Discussion (W. Chen, Housing Department)

Mr. Chen reviewed the City Council priorities for 2015-2016 and noted the issues in which the Housing Department will be involved. Those issues will also be part of the Commission workplan.

(j) Director's Report (J. Morales-Ferrand, Housing Department)

Ms. Morales-Ferrand reported that there is a new City Council memorandum format that includes a summary of Commission recommendations and input on items going to City Council.

(i) Open Forum

Commissioner Graves commented that AB1335 is a legislative item that creates a new source of low income housing revenue through escrow document signage fees. Commissioner Graves encourages the Commission and City to take a positive position on this bill. Mr. Chen responded that the City has taken a support position on this bill.

DRAFT

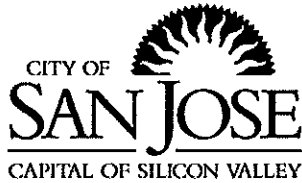
Vice Chair Montez commented that she is now a board member for the Housing trust Silicon Valley and will need to recuse herself on future items that may include the Housing Trust.

(j) Adjournment

Chair O'Connell adjourned the meeting at 7:43pm.

(e) Public Hearing on the FY 2014-15 Consolidated Annual Performance and Evaluation Report (CAPER)

The CAPER can be found on our website at www.sanjoseca.gov/caper. If you would like a printed copy of the report, you can pick one up in our lobby at 200 E. Santa Clara St., 12th Floor, San Jose, CA 95113 or call (408) 535 3860.



Memorandum

TO: PLANNING COMMISSION

FROM: Harry Freitas

SUBJECT: SEE BELOW

DATE: August 31, 2015

SUBJECT: ORDINANCE FOR A TEMPORARY MORATORIUM ON MOBILEHOME PARK CONVERSIONS TO OTHER USES PENDING THE REVIEW AND POSSIBLE AMENDMENT OR ADDITION OF LAND USE REGULATIONS APPLICABLE TO SUCH ESTABLISHMENTS

RECOMMENDATION

Recommend that the City Council approve the proposed ordinance to establish a temporary six-month moratorium on the conversion or closure of mobilehome park uses pending the review and possible amendment of the land use regulations applicable to such conversions and closures.

OUTCOME

If Council adopts the proposed ordinance for a temporary moratorium, such an ordinance would, when it becomes effective: 1) supersede the previously adopted urgency interim ordinance for a temporary moratorium; 2) continue to prevent the conversion of mobilehome parks (MHPs) in the City of San José to other uses; and 3) avoid potential impacts that may be associated with such conversions during the time period that the City reviews potential modifications to Title 20 of the San José Municipal Code (the Zoning Ordinance), City Council Policies, the Envision San José 2040 General Plan (General Plan), and other land use regulations that pertain to mobilehomes and mobilehome parks.

The moratorium on the acceptance, processing, or approval of Conditional Use Permit (CUP) and Planned Development (PD) Permit applications for the conversion of mobilehome parks to other land uses would continue for the duration that would be stipulated in such an ordinance. Per Council direction, staff proposes that the duration of the moratorium be six months.

If Council does not adopt such an ordinance, then after the adopted urgency ordinance expires, on October 9, 2015, staff must process CUP and PD permit applications for possible mobilehome park closures and conversions as the applications are submitted in accordance with the Zoning Code.

BACKGROUND

The conversion of mobilehome parks is a land use issue regulated both by the State and by the City under the San José Municipal Code and the General Plan. The City is allowed but not required by State law to have a mobilehome park conversion ordinance. In 1986, the City adopted provisions for Chapter 20.180 of the Municipal Code (Zoning) that regulate the conversion of mobilehome parks consisting of four or more mobilehomes to ownership or to other uses (sometimes referred to as the "mobilehome park conversion ordinance"). Such conversions require approval of a CUP or a PD Permit. No mobilehome park conversions have been processed under this ordinance.

Discussion at City Council and Council Committee Meetings

Due to rapidly increasing housing costs in recent years, the City Council has expressed an interest in enhancing the protection of existing mobilehome parks in the City from conversion to other uses. This concern has informed Council's consideration of amendments to the General Plan, including but not limited to the comprehensive update of the General Plan in 2011, the four-year review of the General Plan currently in process, and State-mandated Housing Element updates.

On May 7, 2014, the Rules and Open Government (Rules) Committee considered recommending to Council adoption of an urgency ordinance for a moratorium on mobilehome park conversions, but did not forward such a recommendation to the full City Council, noting that obtaining the required super-majority (4/5) vote from Council would be challenging. The Rules Committee did, however, recommend that the Council add mobilehome park preservation as a policy item for the September, 2014 Council ordinance-priority-setting session, and former Mayor Reed suggested a General Plan text amendment that would strengthen policy language in the General Plan for the preservation of mobilehome parks. The Rules Committee recommendations were reported out to the full Council who then accepted the Rules report.

At their priority-setting session on September 9, 2014, the Council added consideration of an update to the mobilehome park conversion ordinance to the ordinance priority list. Currently, there is no specific additional budget or additional staffing allocation associated with the work required for the City to complete this item.

At the May 20, 2015 Rules Committee meeting, staff proposed that the Committee approve the Mobilehome Park Preservation Policies / Conversion Ordinance Update as an addition to the current Work Plan for the Community and Economic Development (CED) Committee. Two residents spoke in favor of the proposal. They stated support for more equitable conversion regulations and the preservation of mobilehome parks as a critical component of the City's affordable housing stock. One of the speakers commented that for first-time home buyers, mobilehome park preservation is a way for families to have potential access to a type of affordable housing, and for seniors it can provide an affordable and safe place to age in place. This speaker raised the question of whether a moratorium was possible.

A third resident spoke about balancing the property rights of the landowners of mobilehome parks with the needs of mobilehome park residents.

A fourth speaker commented that not all mobilehome park sites are owned by their operators; some are leased, and some of the leased ones have a 35-year lease or 50-year lease, with many such mobilehome parks housing populations considered as special needs, such as senior citizens and people with disabilities, and that if such housing is converted, displacement of these residents could create significant impacts.

The City Attorney stated at the May 20th meeting that there would need to be sufficient grounds for the City to make the findings to impose a moratorium and a super-majority vote by the Council. He noted that, typically, findings would have to identify an imminent need for such a moratorium.

The Committee then approved adding the Mobilehome Park Preservation Policies / Conversion Ordinance Update to the current Work Plan for the CED Committee and placed it on the June 22, 2015 CED Committee meeting agenda.

On June 22, 2015 staff presented a proposed work plan on the Mobilehome Park Preservation Policies/Conversion Ordinance Update to the CED Committee. 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 in July 2015. In addition, two focus groups with residents occurred on July 30 and August 6, 2015. Notes from these focus groups are posted on the City's mobilehome webpage: www.sanjoseca.gov/mobilehomes

The CED report and the workplan that staff proposed were presented at a Council hearing held on August 11, 2015. In response to recommendations made by Councilmembers in two separate Councilmembers' memoranda submitted prior to the hearing, the City Council adopted two motions as summarized in the synopsis of the August 11, 2015 Council meeting:

- The report was accepted, including the joint memorandum from Mayor Sam Liccardo, Vice Mayor Rose Herrera and Councilmembers Chappie Jones, Manh Nguyen and Tam Nguyen, dated August 7, 2015, to (1) Accept staff's report and work plan to further the preservation of mobile home parks; and (2) Direct staff to return in two weeks with an urgency ordinance, and if findings cannot be made, with a standard (regular) ordinance, to establish a moratorium on mobile home park conversions for six months.
- Acceptance of Councilmember Johnny Khamis' recommendations including communicating with stakeholders, MHP owners, and to explore alternatives and options associated with an "Opt-In; Stay in Business" alternative, including alternative methods of maintaining mobilehome inventory, and including review of the 2040 General Plan to examine urban village designations in these locations and implications for MHP residents.

On August 11, 2015, the City Council directed staff to return with an urgency ordinance and regular ordinance (i.e., non-urgency) for a moratorium on mobile home park conversions that Council could consider for adoption on August 25, 2015. On August 19, 2015, the Rules Committee added the urgency interim ordinance for a moratorium as an item to the Council agenda for the August 25, 2015 public hearing.

On August 21, 2015, the Director of Planning Building and Code Enforcement and the Interim Director of Housing jointly issued a memo to the City Council requesting that Council consider an urgency ordinance on August 25, 2015 for a period of 45 days consistent with State law, and to refer consideration of a regular ordinance for a six-month moratorium to the Planning Commission, as is required by the Municipal Code, at the earliest possible Planning Commission meeting.

On August 25, 2015 the City Council adopted an interim ordinance of the City of San José, as an urgency measure, establishing a temporary 45-day moratorium on the conversion or closure of mobilehome parks pending the review and possible amendment of the land use regulations applicable to such conversions and closures and directed staff to refer to the Planning Commission for its review and recommendation, at its earliest possible regular meeting, a substantially similar ordinance establishing a temporary moratorium on the conversion or closure of mobilehome parks pending the review and possible amendment of the land use regulations applicable to such conversions and closures. Council also asked staff to explore “opt-in/stay in business” measures for mobilehome park owners and operators as part of staff’s workplan for this item. To the extent that staff may recommend land use policies or regulations to further such measures, in a City Council Policy for example, these may be referred to the Planning Commission for recommendation prior to Council consideration.

ANALYSIS

I. The Moratorium Procedure

California Government Code Section 65858 provides a process by which a city may adopt, as an urgency measure, an “interim ordinance” prohibiting any uses which may be in conflict with a contemplated change to the city’s zoning ordinance. This type of ordinance is commonly called a “moratorium.” The purpose of a moratorium is to allow a reasonable period of time for the city staff, Planning Commission, and Council to study the issue in question and consider regulatory modifications intended to resolve the issue. The interim ordinance requires a vote of 4/5 of the city council upon the making of legislative findings that:

1. There is a current and immediate threat to the public health, safety or welfare; and
2. The continued approval of the types of land use permits in question would result in that threat.

While charter cities may not be required to comply with this procedure, the City of San José has elected to follow it in the past in order to provide notice and certainty to property owners when imposing a land use moratorium. At the same time, Title 20 of the San José Municipal Code (Zoning) requires that the City Council refer any Council-initiated ordinances that modify implementation of the Zoning Code to the Planning Commission for its review and recommendation including the proposed ordinance for the moratorium. However, the Code exempts urgency ordinances from this requirement. Therefore, without going first to Planning Commission, on August 25, 2015, the Council was able to consider and approve an urgency ordinance establishing a temporary moratorium on conversions of mobilehome parks to other uses. The urgency ordinance took effect immediately and will be in effect for 45 days with the opportunity for extension pending the consideration of the regular moratorium ordinance by the Planning Commission.

The process for consideration of the regular ordinance is as follows: The Council directs that it be referred to Planning Commission for review and recommendation. At that time the Planning Commission decides whether to recommend that the Council:

- a. Repeal the urgency ordinance (which means the moratorium is repealed)

- b. Re-adopt the ordinance as is (which means the moratorium stays in place for the specified period), or
- c. Re-adopt the ordinance with modifications

The regular ordinance then goes back to Council for consideration of whether to repeal the urgency ordinance or re-adopt it. If adopted, the regular ordinance would supersede the urgency ordinance upon its effective date.

Pursuant to the Government Code, the initial term of the interim moratorium is limited to 45 days. However, if the same findings regarding the immediate threat to public health, safety or welfare can be made, the City Council may extend the moratorium for a total maximum term of two years while the City assesses and potentially modifies land use regulations applicable to mobilehome park closure and conversion. Staff recommends an extension of the temporary moratorium from 45 days to six months because that additional time will be needed to complete analysis, draft new policies and zoning code amendments, conduct related public outreach, and present a recommendation to the Planning Commission and City Council.

II. Threat of Closure and Conversion of Mobilehome Parks in San José

In order to adopt the proposed moratorium, the City Council must find that the closure and conversion of mobilehome parks in the City of San José poses an immediate threat to the health, safety, or welfare of mobilehome park residents. The information below may support a recommendation to the Council to establish a temporary moratorium on mobilehome park conversions to other uses:

- There are 59 mobilehome parks located in the City, and they provide more than 10,000 mobilehome spaces.
- On July 29, 2015, Winchester Ranch Mobilehome Park owners notified mobilehome park residents about plans to begin the formal process of mobilehome park closure in late 2015. Additionally, a spokesman for the mobilehome park owner testified at a public focus group meeting held on July 16, 2015 that, "Winchester Mobilehome Park will close." The mobilehome park has 111 spaces and is designated for residents who are 55 years and older.
- Ten of the mobilehome parks in the City (a total of approximately 1,610 homes) are restricted to seniors, who may face additional threats to their quality of life if displaced. Seniors are one of the fastest growing demographics in the City, and, as they have stated in the public focus group, community, and Council meetings held on this topic, they often live on a fixed income. The community they build in mobilehome parks creates an environment that provides them with the network they need to ensure access to health care or other necessary services. Given the high cost of rents and low vacancies in the region, it is possible that closure of a mobilehome park may result in some residents, including senior citizens, becoming homeless.
- Several focus-group and public-hearing attendees testified that frail mobilehome park residents, who were too sick to attend public meetings, could suffer serious distress and health problems if they were displaced.

- In 2014, the City of San José processed 4,460 residential building permits of which 88.6% were for market-rate housing, 0% for moderate-income housing (80-120% AMI), and less than 12% were for low-income affordable housing (0-80% AMI).
- Nearly all income-restricted affordable housing developments in the City – whether for families, seniors or single-room occupancy – have existing waiting lists, thereby not providing an immediate source of replacement housing. There are more than 22,000 individuals and families on the Housing Authority of Santa Clara County’s waiting list for Section 8 vouchers, and the list has not been opened for new names since 2006.
- As documented in the City’s 2015-2020 Consolidated Plan, 22,070 low-income renter households (approximately 66,872 people) in the City paid more than 50% of their income on rent in 2010, and were in need of income-restricted affordable housing. The City’s limited affordable-housing resources will enable it to assist in the production of approximately 425 new affordable apartments each year. This shows a continuing gap between demand and supply of income-restricted affordable housing.
- Nineteen of the City’s mobilehome parks each contain more than 200 spaces. Closure of one of these mobilehome parks could displace a large number of people, which would be a significant event in an already tight housing market.
- In many cases it is not possible to simply relocate mobilehomes, and if it were, there may not be sufficient mobilehome parks willing to accept these residential units. The City needs time to obtain input from stakeholders, to research and analyze potential alternatives, and to identify an accurate catalogue of options available for relocation throughout the City and nearby jurisdictions.
- As of August 18, 2015 there were 78 active listings on the Multiple Listing Service (MLS) in Santa Clara County out of 19,781 spaces, which is a vacancy rate of 0.39%. In San José there were nine active mobilehome listings out of 10,836 spaces, which is a vacancy rate of less than 1%. The average listing price in Santa Clara County was \$196,831.
- A relocation plan prepared on February 11, 2014 in connection with the proposed conversion of a mobilehome park in Palo Alto reported that of 48 mobilehome parks in San Mateo, Alameda, and Santa Cruz Counties that responded to a survey of available spaces, 24 spaces were vacant and 23 mobilehomes were for sale out of a total 4,028 spaces in those mobilehome parks (a 1.2% vacancy rate for the combined vacant spaces plus homes for sale).
- In San José, market-rate apartment renters must earn \$109,440 per year to afford the average rent for a two-bedroom apartment, based on average rents from Real Facts Q2 2015 assuming 30% of income is allocated for paying rent. Stakeholder testimony at the July and August 2015 focus-group meetings that City staff held with mobilehome park residents indicated that many mobilehome park residents have lower than this level of income.

- Monthly space rents vary widely depending on mobilehome park location and amenities, and whether the residential-unit space is for a trailer or a single-, double-, or triple-wide coach. On August 19, 2015 the multiple listing service (MLS) showed 78 mobilehomes listed for sale in Santa Clara County with an average space rent of \$903. The lowest listed space-rent was \$430 and the highest was \$2,000. For reference, the average rent for market-rate two-bedroom apartments was \$2,736, and for three-bedroom apartments the average rent was \$3,173 (Real Facts, Quarter 2, 2015).

A survey with an income profile of mobilehome residents is not available. However, what is known is that:

- In public meetings held with mobilehome park residents, mobilehome park owners and managers, and the general public held by the City July 16, 23, and 30, and August 6 and 13 of 2015, mobilehome park residents voiced concerns that if their mobilehome parks close, their homes would be greatly devalued, leading some residents to default on mortgages or to file for bankruptcy. Some residents had used their retirement savings to purchase their home, and they commented that they would be hard-pressed to afford anything else if their home were devalued.
- The Housing Department has made hundreds of mobilehome-repair loans and grants over the past 25+ years to low-, very low- and extremely low-income mobilehome park residents.

PUBLIC OUTREACH/INTEREST

The City created a webpage at www.sanjoseca.gov/mobilehomes to share information and invite public feedback about the Mobilehome Park Conversion/Protection Ordinance and Policies Update process.

Public outreach for this proposal complies with the City Council's Public Outreach Policy and the Municipal Code. A public hearing notice including the Planning Commission and City Council hearing dates was published in the San José Post-Record and emailed to a list of interested groups and individuals. Staff has posted the hearing notice, staff report and draft ordinance on the PBCE Department's website and has been available to discuss the proposal with interested members of the public.

City staff has presented the topic of possible measures for additional protection of existing mobilehome parks and their residents and received public input on this topic at several public hearings and stakeholder forums including the following meetings:

- Community and Economic Development Committee (6/22/15)
- Two focus group meetings with mobilehome park owners (7/16/15 and 7/23/15)
- Two focus group meetings with mobilehome park residents (7/30/15 and 8/6/15)
- City Council (8/11/15)
- Housing and Community Development Commission (8/13/15)
- Public meeting at Mayfair Community Center (8/13/15)

PLANNING COMMISSION

August 31, 2015

Subject: Ordinance for a Temporary Moratorium on Mobilehome Park Conversions

Page 8

- City Council (8/25/15)
- Public meeting at Seven Trees Community Center (8/29/15)

As of the writing of this staff report, a public meeting at San Jose City Hall, in the Wing Rooms is scheduled for 8/31/15.

In response to questions from the public regarding how and why some mobilehome parks were included within Urban Village boundaries, staff has explained that when the comprehensive update to the Envision San José 2040 General Plan (General Plan) was adopted in 2011 by the City Council, five mobilehome parks were included within the boundaries of Urban Villages out of the more than 70 Urban Villages identified in the General Plan, which are in growth areas in the City intended for mixed-use development after Council adoption of area plans specific to each Urban Village. These five mobilehome parks include Imperial San Jose Mobile Estates (District 10), La Buona Vita (District 5), Mobile Home Manor (District 3), Winchester Ranch (District 1), and Willow Glen Mobile Estates (District 6). A website archive of documentation associated with the preparation of the General Plan is at <http://www.sanjoseca.gov/index.aspx?nid=2087>

The inclusion of the five mobilehome parks in the boundaries of designated Urban Village areas is intended to recognize that mobilehome park residents should be invited to participate in the planning of these areas that include and surround their homes, and that they should have a role in determining future land uses in proximity to their homes. None of the Urban Village areas that contain existing mobilehome parks are in Plan Horizon 1. These Urban Villages are in future Plan Horizons, which means that for the next several years, Urban Village Plans for these five mobilehome parks cannot be implemented until specific triggers for implementation, as identified in the General Plan, have been achieved.

As stated by several Councilmembers at the Council hearing on August 11, 2015, inclusion of a mobilehome park in an Urban Village does not make such a mobilehome park more susceptible to conversion to another use, and perhaps could add another layer of protective oversight that could limit or protect from conversion these five mobilehome parks.

Should the Council decide to remove any these five mobilehome parks from the boundaries of their respective Urban Villages, the Council would then need to initiate General Plan land use amendments for their removal, and direct staff to complete environmental clearance in compliance with the California Environmental Quality Act (CEQA) prior to Council consideration of adoption of such land use amendments. Any such proposed General Plan amendments would be presented to the Planning Commission at a public hearing for recommendation prior to Council consideration. As previously explained in the memo to CED from staff for the June 22, 2015 meeting, given the investment of City resources to process such General Plan amendments, and the uncertainty of the outcomes, staff does not recommend that Council initiate such General Plan land use amendments at this time.

COORDINATION

The preparation of the proposed ordinance and this staff report were coordinated with the Housing Department and the City Attorney's Office.

PLANNING COMMISSION

August 31, 2015

Subject: Ordinance for a Temporary Moratorium on Mobilehome Park Conversions

Page 9

CEQA

This ordinance is not a project within the meaning of CEQA Section 15378 because it has no potential for resulting in physical changes to the environment, directly or indirectly. This ordinance is also exempt from CEQA pursuant to Section 15061(b)(3) because it has no potential for causing a significant effect on the environment, and Section 15308 as a regulatory action under the City's police power to assure maintenance and protection of the environment pending evaluation and adoption of potential local legislation and regulation.



HARRY FREITAS, DIRECTOR
Planning, Building and Code Enforcement

DRAFT

ORDINANCE NO.

**AN ORDINANCE OF THE CITY OF SAN JOSE
ESTABLISHING A TEMPORARY MORATORIUM ON THE
CONVERSION OR CLOSURE OF MOBILEHOME PARKS
PENDING THE REVIEW AND POSSIBLE AMENDMENT
OF LAND USE REGULATIONS APPLICABLE TO SUCH
CONVERSIONS AND CLOSURES AND SETTING FORTH
FINDINGS TO SUPPORT SUCH TEMPORARY
MORATORIUM**

WHEREAS, on August 25, 2015, the City Council, based upon the evidence provided in the record, adopted an interim ordinance by urgency measure (Ordinance No. 29611) imposing an immediate 45 day moratorium on the acceptance or processing of an application for any permit, or the issuance of any permit for conversion or closure of mobilehome parks finding that the community would be in jeopardy of conversion and closure of mobilehome parks occurring under existing land use regulations prior to the potential adoption of new land use regulations intended to preserve and protect the public health, safety and welfare;; and

WHEREAS, also on August 25, 2015, pursuant to San Jose Municipal Code Section ____, the City Council directed staff to refer to the Planning Commission for its review and recommendation the establishment of a 6 month moratorium on the conversion or closure of mobilehome parks to provide adequate time to the review and possibly amend the land use regulations applicable to such conversions and closures; and

WHEREAS, notice of the Public Hearings of the Planning Commission and City Council was published pursuant to Government Code §65090; and

and

WHEREAS, there are 59 mobilehome parks located in the City, and they provide over 10,000 mobilehome spaces; and

WHEREAS, these mobilehome spaces are largely occupied by low income seniors and families who have purchased the mobilehomes; and

WHEREAS, mobilehomes cannot be readily moved to a new mobilehome park, and for those that could be moved there are few destinations since most parks will only accept new mobilehomes and few parks in the City have a significant number of annual vacancies; and

WHEREAS, in 2014, the City of San José processed 4,460 residential building permits of which 88.6% were for market rate housing, 0% for moderate income housing (80-120% AMI), and less than 12% were for low income affordable housing (0-80% AMI); and

WHEREAS, the current land use regulations for the conversion and closure of mobilehome parks were written in 1986 and have not been substantially amended since that time, although there have been changes to State law regarding conversions; and

WHEREAS, in fairness to all businesses and citizens, the City Council desires to establish a temporary moratorium on the conversion and closure of mobilehome parks in the City while the City Administration is conducting its review and formulating its report and recommendation on this matter and until such time as the City Council has made a decision on the appropriate land use regulations applicable to conversion and closure of mobilehome parks; and

WHEREAS, consistent with California Government Code Section 65858, City may adopt an ordinance temporarily prohibiting uses that may conflict with a contemplated zoning ordinance amendment that City wishes to study and consider within a reasonable period of time where City finds that there is a current and immediate threat to the public health, safety, or welfare and approval of such uses would result in that threat to public health safety or welfare; and

WHEREAS, the provisions of this Ordinance have been found to be not a project under the California Environmental Quality Act of 1970, together with regulations and guidelines promulgated thereunder (including without limitation Section 15061(b)(3) of the CEQA Guidelines), and is also exempt from CEQA pursuant to Section 15061(b)(3) because it has no potential for causing a significant effect on the environment, and Section 15308 as a regulatory action under the City's police power to assure maintenance and protection of the environment pending evaluation and adoption of potential local legislation and regulation; which determinations have not been challenged, protested or appealed; and

WHEREAS, the City Council of the City of San José is the decision-making body for this proposed Ordinance; and

WHEREAS, this City Council has read, considered and approves said Exemption prior to taking any approval actions on this proposed Ordinance; and

WHEREAS, on September 9, 2015, the Planning Commission considered the proposed 6 month moratorium on the acceptance or processing of an application for any permit, or the issuance of any permit for conversion or closure of a mobilehome park within San Jose and the Planning Commission recommended _____ ;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SAN JOSE:

SECTION 1. A temporary six month moratorium is hereby established and imposed on the acceptance or processing of an application for any permit, or the issuance of any permit, under the San Jose Municipal Code for the conversion or closure of a mobilehome park.

SECTION 2. This temporary moratorium shall not prohibit a mobilehome park owner already operating in compliance with all applicable laws from applying to City for development or other permits or approvals necessary: (a) to address an immediate threat to public health or safety, (b) to comply with an order of a court or other tribunal of competent jurisdiction, or (c) to modify its business, or the site on which the business operates, in a manner that would not result in the partial or complete conversion or closure of the mobilehome park, and all such applications submitted pursuant to this Section 2 shall be subject to all laws and policies applicable to the proposed development or other activity described in such application.

SECTION 3. For purposes of this Ordinance, a "mobilehome park" means an area of land where two or more mobilehome lots are rented or leased, or held out for rent or lease, to accommodate mobilehomes used for human habitation.

SECTION 4. The commencement of the moratorium shall be August 25, 2015 as established by the urgency Ordinance No. 29611 and shall continue through February 25, 2016, or until the date that a decision by the City Council on the appropriate land use regulations applicable to conversion and closure of mobilehome parks has been made and, if necessary, effectuated by appropriate legislation, whichever date first occurs. Nothing in this Ordinance precludes the City Council from taking a later action to extend

the term of this temporary moratorium in accordance with the provisions of applicable law.

SECTION 5. The City Council of the City of San Jose hereby finds that there is a current and immediate threat to the public health, safety and welfare that warrants the establishment of this temporary moratorium of conversion and closure of mobilehome parks, which finding is based upon the facts stated above and in the memorandum to the City Council from the Director of Housing and the Director of Planning, Building and Code Enforcement dated August 21, 2015, and all of the following elements:

- A. Members of the community living within mobilehome park located in City have alerted this Council to possible concerns related to the potential conversion and closure, which concerns generally relate to the lack of affordable replacement housing and the potential for significant displacement of low income families and seniors; and
- B. More specifically, on July 29, 2015, the owners of Winchester Ranch Mobilehome Park, a 111 space mobilehome park restricted to residents aged 55 and older, notified residents that it plans to begin the formal process of park closure by the end of 2015; and
- C. This Council has heard these community concerns and desires that they be examined in order to inform appropriate land use regulations applicable to conversion and closure of mobilehome parks; and
- D. Without a temporary moratorium prohibiting conversion and closure of mobilehome parks while these community concerns are being examined and appropriate regulations are being developed, there remains a current and immediate threat that conversion and closure of mobilehome parks

may occur under existing land use regulations and could result in displacement of low income seniors and families.

PASSED FOR PUBLICATION of title this _____ day of _____, 2015, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

SAM LICCARDO
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk

Housing & Community Development Advisory Commission
(Draft) Workplan & Accomplishments for FY 2014-15

HCDC Agenda: 9/10/15
Item: (h)

#	Objective for FY 2014-15	Actions	Subject	Action
1	Consolidated Annual Performance and Evaluation Report (CAPER)	Public Hearing of the FY 2013-14 Consolidated Annual Performance and Evaluation (CAPER) – and Possible Recommendation to City Council to Approve Report	Housing and Community Development	N/A
2	Housing Impact Fee – Nexus Study	Review and comment on various proposals regarding the Affordable Housing Fee (Nexus Study, feasibility study, public comment).	Housing and Community Development	October 9, 2014 – Vice Chair Montez made the motion to accept staff's recommendations as presented in the memo on the Affordable Housing Impact Fee and recommended approval to City Council. The motion was seconded by Commissioner Gill. The motion failed (4:6) on a roll call vote.
3	Housing Element	Review and possible recommendation for approval to City Council regarding approval of the Housing Element.	Housing and Community Development	October 9, 2014 - Chair O'Connell made the motion to recommend that the City Council review and revise its General Plan "jobs first" strategy and its 1.3 jobs per employed resident core objective as part of the process of adoption of the Housing Element as the only way to ensure consistency with the goals of the Housing Element and the expressed intent of the General Plan to "increase, preserve, and improve San Jose's affordable housingstock (Goal H2)". The motion was seconded by Commissioner Graves. The motion passed (9:0) by roll call vote with 1 commission member abstaining January 15, 2015 - Commissioner Angulo made the motion to recommend that the City Council adopt the Revised Draft Housing Element of the General Plan and approve submittal of it to the State Department of Housing and Community Development (HCD) with a

Housing & Community Development Advisory Commission
(Draft) Workplan & Accomplishments for FY 2014-15

HCDC Agenda: 9/10/15
Item: (h)

#	Objective for FY 2014-15	Actions	Subject	Action
4	Adopt FY 2014-15 Workplan for the Commission	Review, discuss, and adopt a FY 2014-15 Workplan based on work completed at Annual Retreat.	Administrative	October 9, 2014 – Adopted workplan second by Commissioner Montez. The motion passed 7-1 by roll call vote with Commissioner Virgilio against.
5	Apartment Rent Ordinance	Review of Apartment Rent Ordinance and possible Recommendation to the City Council to Prioritize Review of the Ordinance.	Apartment Rent Ordinance	October 9, 2014 – Overview given by staff and unanimous decision by HCDC to support Councilmember Campos' recommendation to update the City of San Jose's Apartment Rent Ordinance and Regulations to the extent allowed under California law in order to expand the City's ability to monitor and regular fair housing laws to existing multifamily units.
6	Housing Impact Fee	Review and comment on various proposals regarding the Affordable Housing Fee and Possible Recommendation to City Council on Preliminary Fee Proposal	Housing and Community Development	November 13, 2014 - Commissioner Angulo made the motion to accept staff's recommendations regarding a Housing Impact Fee to be levied on market-rate rental housing developments and accompanying basic components. The motion was seconded by Commissioner Nash. The motion did not pass (5:6) by roll call vote:
7	General Plan Text Amendments	Provide input on general plan text amendments pertaining to urban villages, affordable housing and mobilehome parks	Housing and Community Development	N/A
8	FY 2015-16 Annual Action Plan	Review and possible recommendation Funding Strategy for 2015-16 Annual Action Plan	Housing and Community Development	November 13, 2014 - Commissioner Graves made the motion to make a recommendation to City Council to accept staff's recommendations on the FY 2015-2016 Annual Action Plan Funding Strategy. Commissioner Virgilio seconded the motion. The motion passed

Housing & Community Development Advisory Commission
(Draft) Workplan & Accomplishments for FY 2014-15

HCDC Agenda: 9/10/15
Item: (h)

#	Objective for FY 2014-15	Actions	Subject	Action
9	Provide input on the Needs Assessment for the Five-Year Consolidated Plan	Review and comment on the Needs Assessment for the new Five-Year Consolidated Plan	Housing and Community Development	(10:0) with Vice Chair Montez not voting and recusing herself from the item because of possible conflict of interest. November 13, 2014 – Consultants presented and took feedback from public and commission.
10	Homeless Community Plan	Possible Recommendation to the City Council to approve the Homeless Community Plan	Housing and Community Development	November 13, 2014 - Commissioner Graves made the motion to accept the staff's report as presented. Commissioner Ellak seconded the motion. The motion passed (10:0) with Vice Chair Montez not voting and recusing herself from the item because of possible conflict of interest.
11	Mobilehome Rent Program Regulations	Approve and approve updates to Mobilehome Rent Program Regulations	Mobilehome Rent Ordinance	N/A
12	Public Hearing – Input on Consolidated Plan/Annual Action Plan	Hold Public hearing on Consolidated Plan/Annual Action Plan (Required per Citizen Participation Plan prior to publication)	Housing and Community Development	January 15, 2015 – Public hearing held February 12, 2015 – Update provided April 9, 2015 - Chair O'Connell made the motion to endorse the adoption of (1) the proposed 2015-20 Consolidated Plan & FY 2015-16 Annual Action Plan with two amendments: (a) to add language acknowledging the preservation of affordable housing includes mobilehomes, and (b) that the Department reinstitute the Mobilehome Rehabilitation Grant Program; and (2) the proposed policy regarding the Citizen Participation Plan substantial amendment threshold. The motion was seconded by Commissioner Angulo and passed with a 10-0 vote with Vice Chair

Housing & Community Development Advisory Commission
(Draft) Workplan & Accomplishments for FY 2014-15

HCDC Agenda: 9/10/15
Item: (h)

#	Objective for FY 2014-15	Actions	Subject	Action
13	Inclusionary Housing Update	Update the Commission on Inclusionary Housing and possible recommendation to City Council	Housing and Community Development	Montez recusing from the vote. April 9, 2015 – California Supreme Court will rule on issue in June.
14	Preliminary Recommendations for award of Federal Grants	Review and potential recommendation to City Council regarding award of federal funds to nonprofit grant recipients pursuant to Needs Assessment for Five-Year Consolidated Plan	Housing and Community Development	April 9, 2015 - Commissioner Abay made the motion to recommend to the City Council to increase the 2014-2015 Emergency Solutions Grant (ESG) allocation by \$146,186 from previous years unused ESG allocations for emergency shelter operations and add the "Shelter Operations" category under description of ESG programs. The motion was seconded by Commissioner Nash and approved unanimously (11:0).
15	Mobilehome Conversion Ordinance	Provide input to staff and recommendation to City Council regarding changes to the Mobilehome Conversion Ordinance	Mobilehome	Late summer/Fall 2015
16	Administrative Hearing Officer Evaluation Process	Provide input to the methodology and process for evaluating the performance of Administrative Hearing Officers	Apartment & Mobilehome Rent Ordinances	N/A
17	Housing Investment Plan (HIP)	Review and possible Recommendation to the City Council regarding the City's Housing Investment Plan	Housing and Community Development	N/A
18	Rental Rights Program Budget (Fee)	Review, discuss, and provide recommendation to the Housing Department on	Apartment & Mobilehome Rent	March 12, 2015 - Commissioner Graves made the motion to recommend staff's recommendations to the City Council of the FY 2015/16 proposed feed

Housing & Community Development Advisory Commission
(Draft) Workplan & Accomplishments for FY 2014-15

HCDC Agenda: 9/10/15
Item: (h)

#	Objective for FY 2014-15	Actions	Subject	Action
	Recommendations	the RRR Program annual fee structure and staffing levels (Mobilehomes and Apartments)	Ordinances	structure for the rental rights and referrals program. The motion was seconded by Vice Chair Montez and passed (11:0:1) with Commissioner Johnson abstaining from the vote.
20	Commission Nominations	Nominate and select Chair/Vice Chair	Administrative	June 11, 2015 – Chair O’Connell and Vice-Chair Montez re-elected/
21	Proposed State/Federal Legislation	Federal/State Legislation. Discussion and possible recommendations on proposed legislation under to the purview of the Commission	Housing and Community Development	N/A
22	Quarterly Housing Reports	Review various reports on housing data (for what purpose, recommendation?)	Housing and Community Development	June 11, 2015 – Provided to commission
23	Community Outreach	Housing Authority Voucher Policy. Discussion and possible recommendation to the Santa Clara Housing Authority	Housing and Community Development	N/A

**Items marked by an asterisk in the Meeting Date column are “time-certain” items that have been noticed for the specific date indicated. All other dates listed are for planning purposes only and may be heard at a different date than that listed on the workplan.*