



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Rosalynn Hughey  
Jacky Morales-Ferrand

**SUBJECT:** SEE BELOW

**DATE:** February 26, 2020

Approved

Date

2-26-20

**SUBJECT: SUMMARY OF MOBILEHOME PARK CONVERSION OF USE PROCESS**

## INFORMATION

At the January 15, 2020 Rules and Open Government Committee meeting, a request was made to provide the City Council with a summary of the process for when a mobilehome park seeks to convert to another use. This information memorandum outlines the conversion process procedures.

To date, only one mobilehome park, Winchester Ranch Mobilehome Park has undertaken the conversion process under the Mobilehome Conversion Ordinance. In this case, the residents formed a homeowners association (HOA) and entered into a voluntary agreement with the property owner and developer. The Law Foundation of Silicon Valley is currently the HOA's legal counsel and assisted the HOA in negotiating the voluntary agreement. As of the date of this memorandum, no new applications proposing conversion of a mobilehome park to another use have been received.

On March 10, 2020, the City Council will consider the creation of a new General Plan land use designation specific to mobilehome parks and applying that designation to the Westwinds and Mountain Springs mobilehome parks. These mobilehome parks are the only two parks that have a General Plan designation that allow high-density residential development. The staff report for the March 10, 2020 Council item will provide additional background and analysis of the proposed General Plan amendments.

### Summary of City Mobilehome Park Conversion Requirements

The City's Mobilehome Conversion Ordinance, adopted in 1986, provides the process by which a mobilehome park owner can apply to convert a park to a new use. This process has further been clarified by Council Policy 6-33 "Conversion of Mobilehomes to Other Uses" that was adopted in 2016 and amended in 2017.

A mobilehome park change of use will require, at a minimum, approval of either a Conditional Use Permit (CUP) or a Planned Development (PD) Permit. Depending on the General Plan designation and zoning of the park, the applicant may also need to apply for a General Plan amendment and a rezoning. Recent amendments to the Zoning Code make the City Council the decision-making body for consideration of all proposed mobilehome park conversions.

Additionally, the Mobilehome Conversion Ordinance requires a supplemental application be submitted and a permit obtained even if the proposed non-mobilehome use is consistent with the existing zoning. It also specifies that proposed conversions of mobilehome parks should only be approved when findings can be made that *“the applicant has provided a satisfactory program of relocation, rental assistance, purchase assistance or other assistance pursuant to Section 20.180.630 of this chapter to mitigate the conversion on displaced mobilehome owners and mobilehome tenants.”*

### **Overview of the City Mobilehome Park Conversion of Use Procedures**

The Mobilehome Conversion Ordinance and Council Policy 6-33 provide a specific process for consideration of a park conversion that requires proper noticing to residents, preparation of a program of relocation and purchase assistance, and allows for an opportunity for residents to negotiate purchase of the mobilehome park.

#### **1. Pre-Submittal of Permit Application – Notice of Intention to Convert**

At least 60 days prior to the date of filing a permit application, the mobilehome park owner must notify in writing each mobilehome owner, tenant, and the designated resident organization, about the proposed project, or change of use (the “Notice of Intention to Convert”). Translated copies should be made available by the park owner on request. Additionally, any new tenant must also be notified of the intention to convert prior to any payment of rent or deposit.

The Notice of Intention to Convert should contain a statement that the developer proposes a conversion project, and that the developer will file a permit application with the City. The notice should also contain a statement of rights of the mobilehome owners and tenants and the rights of a designated resident organization.

Each Notice of Intention to Conversion should state that a mobilehome owner or tenant has the following rights:

- a. The right to terminate a lease, or rental agreement, without penalty, with sixty days notice.
- b. No increase in rent until termination of a rental agreement, or under other limited circumstances.
- c. No unjust eviction during tenancy.
- d. No coercion or retaliatory action against a mobilehome owner or tenant for opposing the conversion project.

The Notice should also state that a designated resident organization may be formed and list the rights of the designated resident organization.

## **2. Program of Relocation and Purchase Assistance**

The application submitted must include all the standard requirements for a CUP or a PD Permit. In addition, the Mobilehome Conversion Ordinance provides that a permit may be issued only if the City Council finds a satisfactory program of relocation, rental assistance, purchase assistance or other assistance. The Ordinance and Council Policy 6-33 further define what should be included in the program of relocation and purchase assistance including:

- a. *Relocation program:* The relocation program should provide sufficient subsidies and other measures to allow residents to find other adequate safe housing priced at a level that does not create a housing burden. It also includes the following:
  - i. A list of available mobilehome spaces or units for sale in counties of Santa Clara, Alameda, San Mateo, and Santa Cruz.
  - ii. Provision of all moving expenses including the cost to physically move the mobilehome and for moving all furniture and personal belongings.
  - iii. Rent assistance for up to 24-months that covers the difference in rent from their previous mobilehome park rent to their new housing.
- b. *Purchase assistance:* Mobilehome owners who are unable to relocate their mobilehome to a comparable mobilehome park should be provided for the purchase of their mobilehome at 100% of its in-place value. In-place value is determined by a mutually agreed upon appraiser with at least 5 years of experience in the City chosen from a pre-qualified list. Appraisals must consider current values and values prior to any public discussion or communication regarding the sale or conversion of the mobilehome park.
- c. *Relocation specialist:* The mobilehome park owner should hire a relocation specialist from a pre-qualified list provided by the City. The relocation specialist is responsible for working closely with the mobilehome park residents to tailor the offerings of the relocation and purchase assistance program to each resident's circumstances.

## **3. Requirements for Completed Permit Application**

The Mobilehome Conversion Ordinance requires that a permit application include specific information in order to be complete including the following:

- a. Evidence that the Notice of Intent to Convert was completed properly at least 60 days before the permit application was submitted to the City and that the notice was posted at all entrances to the mobilehome park.

- b. Declaration that all new tenants subsequent to the Notice of Intent to Convert were notified in writing of the possible conversion prior to payment of any rent or deposit.
- c. Statement detailing current ownership of all improvements and underlying land; the name and address of each present mobilehome park resident and identification of all residents under sixteen years, sixty-two years and over, residents with minor children, and handicapped residents; square footage of each mobilehome lot; the current or last rental rate of each mobilehome lot and rental rate for the preceding two years; and the monthly space vacancy over the preceding two years of each mobilehome lot proposed to be converted.
- d. Timetable for the conversion of the mobilehome park.
- e. Appraised market value of each mobilehome lot and the in-place value of each mobilehome in the park. Appraisal cannot be more than 90 days prior, and appraisers should be selected through the process noted above under *Purchase assistance*.
- f. Description of how the finances of the transfers of mobilehome and mobilehome lots has been handled for the previous two years.

The submittal should also include a relocation impact report (RIR) prepared by the selected relocation specialist consistent with the Mobilehome Conversion Ordinance, Council Policy 6-33 and State Government Code 65863.7 / 66427.4.

#### **4. Resident Purchase – Good Faith Negotiations**

Immediately following the submittal of the permit application, and once the application has been deemed complete, the designated mobilehome resident organization may request a 180-day delay in further processing the application for “Good Faith Negotiations.” The park owner or developer must meet with the designated resident organization within 15 days. During these negotiations, the park owner or developer is expected to provide sufficient information to the resident organization for such negotiations including a current appraisal of the mobilehome park. The park owner or developer must also provide a detailed response to a written offer from the resident organization to purchase the mobilehome park during the 180-day period. Either party may also request a mediation session conducted by a mediator assigned by the City. This 180-day delay can be omitted if the park owner or developer can provide a letter from the designated resident organization that indicates the negotiations have been completed.

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## **CONCLUSION**

The City's Mobilehome Conversion Ordinance, Zoning Code, and Council Policy 6-33 provide a specific process for application for a mobilehome park conversion to other uses, and requires Council consideration of a program of relocation and purchase assistance for mobilehome park residents.

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