

**City of Culver City, California
City Council Agenda Item Report**

Meeting Date: 10/27/08		Item Number: <u>A-3</u>	
AGENDA ITEM: Discussion and Consideration Regarding Additional Protections for Mobile Home Park Residents.			
Contact Person/Dept.: Tevis Barnes (CDD), and Lillian Ikeda (CDD).		Phone Number: (310) 253-5782, (310) 253-5660 and (310) 253-5797.	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☐ No ☒	
Public Hearing: ☐		Action Item: ☒ Attachments: ☒	
Public Notification: Master E-Mail Notification List (10/22/08). Mobile Home Owners, Property Owners and Tenants (09/18/08 and 10/20/08).			
Department Approval: Sol Blumenfeld (10/17/08)		City Attorney Approval: Carol Schwab (by H. Baker) (10/22/08)	
Chief Financial Officer Approval: Jeff Muir (by M. Noller) (10/22/08)		City Manager Approval: Jerry B. Fulwood (10/22/08)	
<u>RECOMMENDATION:</u> Staff recommends the City Council ("Council") discuss and consider this item and give direction to staff regarding additional protections for mobile home park residents. <u>BACKGROUND:</u> On October 17, 2005, the Agency voted to exclude the two (2) mobile home parks located at 4025 Grandview and 4071 Grandview from the Olson Urban Housing LLC Exclusive Negotiation Agreement. At that time, certain residents requested that the Agency implement tenant protections in case the mobile home park owners sold their properties. The property at 4025 Grand View Boulevard is a 38,999 ± square-foot parcel with 20 rental pad units. The property at 4071 Grand View Boulevard is a 1.25 ± acre parcel with 23 rental pad units. Both of these properties are currently zoned as RMD or "Medium Density Multiple Family Residential". The above mentioned sites are not included in the Redevelopment Project Area and both of these mobile home parks are not under any affordability and rent restriction covenants by the Redevelopment Agency. In November 2004, Overland Pacific and Cutler, a professional relocation firm, completed a relocation cost study, and made the following findings:			

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- 11 tenants at 4025 Grand View and 8 tenants at 4071 Grand View qualify as very-low to low income and would be eligible for Section 8 rental assistance.
- 88% of the 42 coaches are owner occupied (1 rental pad is vacant).
- Due to the age and condition of most of the coaches, it is doubtful that any could be moved and/or would be accepted at other mobile home parks. Comparable pre-owned coach replacements for relocation to a new site averaged \$65K for single-wide and \$95K for double-wide units.
- 42% of the tenants are senior-led households and 8% are households in which a disabled person resides.

DISCUSSION:

State law includes special provisions for mobile home parks. Mobile home park conversions are discussed in both the Government Code and California Civil Code (Attachments 1, 2 and 3). Both of these statutes provide guidelines governing the process by which a mobile home park can be closed or converted to another use. The City of Culver City currently follows the guidelines set by the California Government Code and Civil Code for mobile home park closure, cessation, or change of use.

The law provides special protections to mobile home owners for several reasons: the high cost of moving mobile homes, the potential for damage resulting therefrom, the requirements relating to the installation of mobile homes, and the fiscal impact of moving on the part of the mobile home owner who may have a significant investment in his/her home.

These protections include special consideration in the termination of tenancy due to the closure or change of use of a mobile home park. Although tenancy may be terminated due to closure or change of use, it is difficult to do so under State law. For example, Civil Code Section 798.56 (Attachment 1) states that if a mobile home park were to terminate its tenant leases due to a change of use, the process would proceed as described:

Civil Code Section 798.56 Section (6)(g)(2) provides that mobile home park management must give notice (to the tenants) 12 months or more prior to the management's determination that a change of use will occur. The management in the notice shall disclose and describe in detail the nature of the change of use.

This notice to tenants could not be sent prior to the approval of the change of use by the legislative body of the jurisdiction in which the change of use will occur.

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In addition, Government Code Section 65863.7 (Attachment 3) requires that prior to conversion, closure or cessation of use of a mobile home park, the mobile home park owner shall, among other requirements:

- Address the availability of adequate replacement housing in mobile home parks and relocation costs in a report;
- Provide a copy of the report to each resident;
- Conduct a hearing before the legislative body (City Council) regarding the sufficiency of the report.

The legislative body of the jurisdiction (City Council) may review the report and prior to any change of use, may require the proposer to mitigate any adverse impact of the conversion, closure or cessation of use on the ability of displaced mobile home park residents to find adequate housing in a mobile home park. The steps required to be taken to mitigate shall not exceed the reasonable costs of relocation.

In addition, legislation has occurred under Government Code Section 66427.5 whereby the residents have the potential for acquisition of the mobile home parks in which they reside.

If desired, the City Council may impose additional regulations on the mobile home park owner to mitigate the impacts beyond State law. State law does not specify the term “reasonable costs of relocation,” (no dollar amount or formula is stated). Attachment 4 is a survey of cities and their mobile home relocation requirements. Additionally, listed below are examples of approaches employed by other jurisdictions in closure or change of use statutes.

- Refer to the State law only. (Lancaster)
- Reference to the State law and notices thereunder, but very detailed requirements for the Tenant Impact Report and the subsequent hearing and application process. (Capitola)
- Refer to State law and add relocation hearings, etc. and couple with the right to buy in the new project if it is housing and proof of relocation payment before any new permit. (Malibu)
- Relocation Impact Report (“RIR”) must be filed prior to any notice to tenants or prospective tenants and until approved by the City, no termination notices can be sent which significantly delays the process. The many expert opinions required for the RIR can result in a relocation specialist being retained by the park owner. The ordinance then continues to provide an extensive list of detailed measures that can be included in “reasonable cost of relocation.” This may go beyond the intent of the State law, but there seems to be no prior or final litigation on this particular code section. (Carson)

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- Citation of the State law, but requires the park owner pay for an Impact Report Consultant. The consultant is given criteria for the RIR. Upon a further hearing, the City may set forth any potential mitigation measures which include a list, but that concludes with “such measures as, in the discretion of the City, are necessary.....” (Clovis)
- Require proof that the relocated tenant has been provided a right of first refusal on any housing to be built on the site. This is also coupled with an alternative that the tenants be given a three (3) year notice with a sliding scale of reimbursement if they move sooner. (Chula Vista)
- Provide a fixed dollar amount, adequate notice and proof to the City that the money has been paid. (Gardena)
- Zoning regulation for a mobile home park or an overlay for a mobile home park. In this instance, the City will not approve a zoning change unless the rezone is consistent with the Government Code Section 65863.7 or 66427.4 and with the City General Plan. After proper notice and a hearing, the mitigation must meet the following: relocate within 20 miles or purchase the mobile home at “in place value.” It is also possible to relocate tenants to alternative housing and compensate. (Huntington Beach)
- Requirement that for every affordable home or home site removed, there must be a one-for-one replacement in the community. (Morro Bay)
- Require a use permit to convert a park to another use or to a subdivision. Compliment this with a relocation plan, include a 250 mile radius and rent increases are placed on hold during application for at least a time period set in the code. (Oceanside)
- Some cities require the issuance of a permit to convert or close a mobile home park. These permits are then conditioned in a number of ways that may or may not be consistent to State law. None of these have been litigated and an appellate decision issued. (Santa Barbara)

Staff members in the Housing Division, City Attorney’s Office, Redevelopment Division and the Gibbs Law Firm, a law firm specializing in mobilehome park issues, have reviewed the information and the following options are open to Culver City:

1. Refer to the California State law if a mobile home park change of use occurs; or
2. Develop a Culver City ordinance to further define adequate replacement housing, mitigation efforts and relocation costs to mobilehome park residents; or
3. Enter into a contractual agreement, a Memorandum of Understanding (“MOU”) with the individual mobile home park owners for present or future property use. Staff is not recommending this approach. Any such agreement requires the park owners’ voluntary agreement, which may be very difficult or impossible to obtain.

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Lastly, to inform both the tenants and property owners of mobile home parks in the community, over 1,200 public notices were transmitted via the United States Postal Service on September 18, 2008 to all mobile home park property owners, mobile home park residents and all properties within 500 feet of a mobile home park. A second courtesy reminder notice was transmitted on October 17, 2008 to all the entities listed above. The total cost of the public notification was \$650 dollars. The 2008/2009 Fiscal Year Housing Budget for mailings and public notification is \$6,451.

FISCAL ANALYSIS:

There is no fiscal impact associated with the discussion of this item.

ATTACHMENTS:

1. California Civil Code Section 798.55-798.61.
2. California Civil Code Section 799-799.2.5
3. California Government Code Section 65850-65863.13.
4. Matrix of Mobile Home Park Conversion Ordinance Summaries.

MOTION:

That the City Council:

1. Refer to the California State law if a mobile home park change of use occurs; or
2. Direct Staff to develop a Culver City ordinance to further define adequate replacement housing, mitigation efforts and relocation costs to mobilehome park residents; or
3. Enter into a contractual agreement, a Memorandum of Understanding ("MOU") with the individual mobile home park owners for present or future property use.