

REPORT

DATE ISSUED: February 27, 2008 REPORT NO: HCR 08-26
ATTENTION: Chair and Members of the Housing Commission
For the Agenda of March 14, 2008
SUBJECT: Mobile Home Parks Policy 300.401

REQUESTED ACTION:

Amend the San Diego Housing Commission (Commission) Mobile Home Parks Policy to conform to existing Commission relocation assistance practices and to provide additional relocation assistance options.

STAFF RECOMMENDATION:

Authorize Commission Interim President and CEO to recommend approval to the Housing Authority to amend Mobile Home Park Policy 300.401, as shown on the attached Draft Revised Policy (Attachment A). The proposed revision includes:

- an option allowing park owners to purchase the mobile home for an agreed upon price in-lieu of paying a forty-two month subsidy. The mobile home owner may sell the mobile home to the park owner and forfeit the relocation subsidy or sell the mobile home to a third party in addition to receiving the relocation subsidy;
- monitoring compliance and technical assistance fees; and
- applicant reimbursement for expenses incurred for legal and/or consultant review of relocation plans.

BACKGROUND:

Mobile homes, a vital source of affordable housing in San Diego, have been threatened by escalating land prices and the desire to consider more profitable uses for mobile home park land. To preserve existing mobile home stock and ensure relocation assistance for households displaced by conversion, the Commission established Mobile Home Parks Policy 300.401 in 1980, which implemented Chapter 14, Article 3, Division 6 (Mobile Home Park Discontinuance and Tenant Relocation Regulations) and Chapter 13, Article 2, Division 7 (Mobile Home Park Overlay Zone) of the San Diego Municipal Code. The Commission monitored the mobile home relocation process for compliance with the administrative guidelines entitled Relocation Standards and Procedures (Attachment 1 Policy 300.401).

On March 15, 1993, the policy was revised to expand the Commission's role to include development, preservation, and financing of mobile home parks with an emphasis on assisting mobile home owners to purchase parks threatened by conversion. On June 22, 1994, the Office of the City Attorney issued a memorandum recommending an alternative method for calculating relocation benefits in instances where it was not feasible to relocate the mobile home. Mobile home owners had been entitled to relocation expenses not to exceed seventy-five percent of the actual loss in value of the mobile home. The City Attorney opined that the use of "fair market value" as a measure for calculating relocation expenses could be interpreted to exceed the reasonable cost of relocation standard set forth in Government Code §65863.7.

Under the State's code, relocation payments are based upon the difference between current monthly rent payments and rent payments for a comparable unit. The City Attorney recommended that the Commission use a method of calculation more consistent with State law. Thus, Policy 300.401 was amended on October 3, 1995 to institute the new method for calculating relocation benefits consistent with this methodology. The policy remained unchanged until 2006 when the Coronado Palms Mobile Home Park submitted relocation plans to the Commission and highlighted the need for greater flexibility for park and home owners alike.

An additional relocation assistance option is included in Policy 300.401 to allow park owners to purchase the unit for an agreed upon price in-lieu of paying a 42 month subsidy. In the event a park owner chooses to offer this option, a mobile home owner may sell the mobile home to the park owner and forfeit the relocation subsidy or sell the mobile home to a third party in addition to receiving the relocation subsidy.

DISCUSSION:

The Commission is recommending policy modifications to accomplish three goals:

- 1) reflect the Commission's present role in the provision of relocation assistance;
- 2) include flexibility and additional benefit options to mobile home and park owners; and
- 3) clarify implementation procedures.

The Commission currently administers The City of San Diego's Condominium Conversion and Single Room Occupancy Hotel tenant relocation assistance programs. In addition, the Commission provides technical assistance to displaced households, monitors the relocation process and benefit payments, and works closely with property owners to ensure their understanding of relocation obligations with the City's Municipal Code. The Commission intends to continue this role and apply similar practices to mobile home park closures.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

On April 11, 1980, the Commission adopted Mobile Home Policy 300.401. On March 15, 1993, the policy was revised to clarify the Commission's role. New guidelines pertaining to relocation benefits were approved by the Commission on June 19, 1995 and the Housing Authority on September 18, 1995.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

On January 17, 2007, staff presented the draft policy to the Mobile Home Community Issues Committee (MHCIC) for initial comment. Comments were incorporated into the draft and were re-circulated for discussion during a special meeting on February 21, 2007. Based on this discussion, the draft was further revised and final comments were solicited during a regular MHCIC meeting on April 18, 2007. On January 16, 2008, the MHCIC unanimously approved the draft document (Attachment 2).

KEY STAKEHOLDERS & PROJECTED IMPACTS:

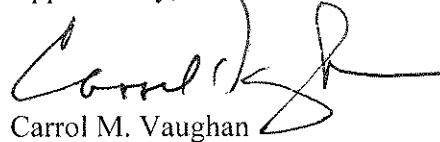
Key stakeholders include mobile home owners, mobile home park owners, and any persons associated with land use activities which would discontinue the use of a mobile home park and/or displace owners or tenants of that park.

Respectfully submitted,


D. Todd Philips

Director, Policy and Public Affairs

Approved by,


Carrol M. Vaughan

Interim President & Chief Executive Officer

Attachments:

- 1) Mobile Home Park Policy 300.401
- 2) Minutes from MHCIC Meeting on January 16, 2008

Distribution of these attachments may be limited. Copies are available for review during business hours at the Housing Commission offices at 1122 Broadway, Main Lobby.

San Diego Housing Commission
POLICY

Subject: **MOBILE HOME PARKS**

Number: **PO300.401**

Effective Date: 4/11/80

Page 1 of 3

1. PURPOSE

- 1.1 To clarify the role of the Housing Commission with regard to mobile home parks and, in part, to implement ~~Sec. 101.1001B of the Mobile Home Park Overlay Zone, Division 10 of the Zoning Code.~~ **Chapter 14, Article 3, Division 6 and Chapter 13, Article 2, Division 7 of San Diego Municipal Code.** It is the Commission's intent that the policy be applicable City-wide except that it will not apply to the De Anza Mobile Home Park. It is the intention of the City to deal with any discontinuance and relocation issues involved with De Anza Mobile Home Park by separate ordinance or resolution because of the unique conditions applicable to the De Anza Mobile Home Park.

2. BACKGROUND

- 2.1 Mobile homes ~~have contributed~~ **contribute** to a diverse inventory of housing products available to the San Diego region. A range of housing opportunities provides choices for households of varying income levels. In recognition of these circumstances and in keeping with its commitment to expand and preserve a variety of housing opportunities for all income levels, **the Commission will oversee provision of relocation assistance and will consider financial support for new park development or park preservation consistent with all accepted Commission funding practices. ~~the Commission will provide limited support for new development of mobile home parks as appropriate, will assist resident or nonprofit initiatives for park preservation, and will oversee provision of relocation assistance.~~** The provisions of this policy are in accordance with applicable City ordinances including Sec. 143.0630 Discontinuance of a Mobile Home Park and Sec. 143.0640 Sale of Mobile Home Parks.

3. ~~NEW DEVELOPMENT~~ **FINANCIAL PARTICIPATION IN NEW DEVELOPMENT AND PRESERVATION OF MOBILE HOME PARKS**

- 3.1 ~~The Commission will aid developers of appropriately located proposed mobile home parks through provision of technical assistance.~~
- 3.2 ~~3.1~~ **3.1** Financial Assistance may also be provided pursuant to the Commission's general guidelines for financial participation. **The Commission may financially assist in developing new mobile home parks and preserving existing mobile home parks that meet the following criteria:**
- A) Assistance will be provided according to the Commission's regular guidelines for financial participation pursuant to standard underwriting criteria.**
 - B) Parks must ensure long term affordability through deed restrictions in favor of the San Diego Housing Commission, with the Commission enjoying first lien position**
 - C) Assistance will be available for park purchase by non-profits, resident associations or public entities in order to maintain public control and low income affordability**
 - D) Assistance will be considered only under unusual circumstances or special opportunities**

[Supersedes Policy 300.401, Issued 4/11/80, Effective 10/3/95]

Authorized:

Elizabeth C. Morris, President & CEO

D. Todd Philips, Director of Policy and Public Affairs

Subject: **MOBILE HOME PARKS**

Number: **PO300.401**

Effective Date: 4/11/80

Page 2 of 3

- 3.2 ~~Parks to be assisted must be ownership or long term lease parks with residents controlling land through limited equity cooperative, nonprofit corporations or other partnership structures in order to maintain resident, nonprofit or public control and low income affordability.~~
- 3.3 ~~Commission assistance in the development of new rental parks will be considered only under unusual circumstances or special opportunities.~~

4. PRESERVATION OF EXISTING MOBILE HOME PARKS

- 4.1 ~~The primary vehicle for mobile home park preservation will be the purchase of the park by the residents or a nonprofit corporation.~~
- 4.2 ~~The Commission will provide technical assistance in assessing financial and managerial feasibility, accessing state and other programs which provide financing for resident acquisition, and by participating as co-applicant when required by the funding source.~~
- 4.3 ~~Financial assistance in the form of loans to park residents or nonprofit organizations to finance a portion of the acquisition cost may be available from the Commission consistent with the Commission's financial participation guidelines.~~
- 4.4 ~~The Commission may become financially involved in resident or nonprofit purchase of mobile home parks under the following circumstances in rank order:~~
 - A. ~~First priority - To preserve affordable housing for low income residents (parks at risk of discontinuance, with excessive rents or with substandard facilities), or~~
 - B. ~~Second priority - To further homeownership (control of rents and management policies). In this instance, financial assistance will be limited to predevelopment funds unless it can be demonstrated that acquisition will involve a minimum amount of public investment and will result in greater affordability.~~
- 4.5 ~~When Commission funds are invested, beyond predevelopment funds, resale controls will be considered, recognizing that homes have higher value when rents are restricted.~~

5. RELOCATION

- 5.1 ~~Relocation plans required by the Mobile Home Park Overlay Zone will be reviewed by the **President & CEO of the San Diego Housing Commission Executive Director** as to conformance with Commission standards.~~
- 5.2 ~~Relocation will be treated as the responsibility of the private mobile home park owner, or the lessee in the case of a leasehold, and not a public responsibility. However, the Commission may assist the owner with relocation by providing financial assistance with resident park purchase when appropriate and as the budget permits.~~
 - A. ~~Regularly reviewing the inventory of publicly owned land for possible use as a relocation park.~~
 - B. ~~Assist by considering friendly condemnation which could have tax advantages for the owner, as suggested by the Mobile Home Community Issues Committee (MHCIC).~~
 - C. ~~Providing financial assistance with resident park purchase when appropriate and as the budget permits.~~

San Diego Housing Commission
POLICY

Subject: **MOBILE HOME PARKS**

Number: **PO300.401**

Effective Date: 4/11/80

Page 3 of 3

- ~~D. Assisting in the development of an interim use mobile home relocation park when appropriate and as funds permit.~~
- ~~5.3 When public funds are used to assist in relocation, as in the development of an interim relocation park, priority will be given to those most at risk, i.e., very low income displacees.~~
- 5.3 This document is a policy and should not, therefore, be considered as creating any financial obligation on the part of the Housing Commission or the City to pay any costs with regard to relocation.
- 5.4 The applicant shall pay fees to the San Diego Housing Commission for expenses incurred pursuant to implantation of Policy 300.401, Attachment 1, Relocation Standards and Procedures. The funds shall be used by the San Diego Housing Commission to monitor compliance with the obligations set forth under this Policy, provide technical assistance to mobile home owners and tenants in their relocation, and recapture legal and consulting fees.
- 5.5 The MHCIC may review the Mobile Home Park Policy and administrative guidelines and, if it is deemed necessary, recommend policy changes to the Housing Commission.

History

Adopted: 4/11/80

Revised: 3/15/93

Revised: 10/3/95

F:\CJ\POLICIES\PO300.401

RELOCATION STANDARDS AND PROCEDURES
(To be an administrative guideline to implementing the
relocation section of Policy 300.401, Revised 10/3/95)

1. To provide consistency in evaluating the adequacy of relocation plans, the fiscal standard against which relocation plans will be measured is:

a. In the case where it is feasible to relocate a mobile home, ~~as determined by Housing Commission staff,~~ the park owner shall reimburse the homeowner the actual cost within the following ranges:

<u>Coach Size</u>	<u>Relocation Amount</u>	
	<u>Minimum</u>	<u>Maximum</u>
8' AND 10' WIDE	\$4,365	\$7,274
12', 14', and 16' WIDE	\$7,274	\$10,184
DOUBLEWIDE 20', 24' and Wider	\$10,912	\$21,823

In addition, any and all appurtenances would be valued and compensated up to \$1,455 total.

b. In cases where it is not feasible to relocate the mobile home, the park owner (or lessee in the case of a leasehold) shall provide the residence with reasonable relocation expenses as follows:

(1) ~~The difference between current space rent and rent for a comparable apartment unit of a size appropriate to accommodate the displaced household and that meets HUD Housing Quality Standards with this amount provided for 48 months. Each mobile home tenant will receive a lump sum difference between current space rent and rent for a comparable apartment unit of a size appropriate, according to California Health and Safety Code Section 50050, to accommodate the displaced household and that meets HUD Housing Quality Standards for a period not to exceed 42 months. For purposes of calculating a relocation payment, the rent differential will not exceed the difference between the current space rent and the Fair Market Value of a comparable unit as published annually by HUD.~~

(2) ~~The park owner or lessee shall pay to the mobile home tenant total actual cost of moving expenses for furniture and personal belongings not to exceed \$1,455.~~

(3) ~~All proceeds from the sale of the mobile home. Nothing contained herein precludes any mobile home owner that is also the mobile home tenant, to agree to sell the mobile home, that such person resides in, to the park owner or lessee for an agreed upon price to be no less than the amount of relocation benefits described in Section 1(b)(1) of this Administrative Guideline, in exchange for waiver of payment of those benefits described in Sections 1(b)(1) provided that such mobile homeowner independently agrees to do so and such sale and waiver is not the product of coercion, fraud, force, deception, duress, misrepresentation, undue influence, threat or intimidation. Nothing contained herein shall require any mobile home owner to agree to sell his/her mobile home to a park owner or lessee or to waive receipt of relocation benefits.~~

2. During relocation the park owner (or lessee in the case of a leasehold) shall pay to each mobile home tenant hotel or temporary lodging costs in the amount of ~~\$58~~ \$131¹ per night up to seven nights.

3. ~~The Mobile Home Community Issues Committee (MHCIC), with the assistance of park owners or lessees and mobile home owners,~~ will develop a list of available or vacant spaces to which their residents might move. This resource list would include lot sizes, existing rents and park policies regarding admission of older coaches.

4. All specific dollar amounts mentioned above will be adjusted annually in conformance with changes in the Consumer Price Index, All Urban Consumers.

¹ Source: California Lodging Industry Association, 2007 California Lodging Per Diem Rates

City of San Diego
Mobile Home Community Issues Committee (MHCIC) Meeting
Wednesday, January 16, 2008 at 1:15pm

1835 El Cajon Blvd., Suite D
San Diego, CA 92103

The members of the Mobile Home Community Issues Committee (MHCIC) held a meeting at the above time and place.

The Attendance of the committee members was as follows:

Park Owners		Home Owners	
John Baldwin, Chair	Present	Robert Gould	Present
Keith Rhodes, Vice Chair	Present	Lee Jones	Present
Roy Muraoka	Absent	Michael O'Neil	Present
Bert Epsten	Present	Russ McJunkin	Absent
Steve Epsten (Alt. 1)	Absent	John Shannon (Alt 1)	Present
		Charles Gregan (Alt 2)	Present
Neutrals			
Steven Dinkin	Present		
Veronica Montenegro (Alt)	Absent		

Others in Attendance: Todd Philips, Housing Commission; Representative from Baldwin Pacific Group; Donald Byrum, Compac, President; Homeowner Representatives from Mission Valley Village Mobile Home Park; Ocean Bluffs Mobile Home Park; Coronado Palms Mobile Home Park; and, Linda Vista Village Mobile Home Park.

Meeting called to order at 1:17PM. There were enough members to establish a quorum. Meeting continued as official with John Baldwin chairing.

October 17, 2007 minutes approved without change.

No Chair Report.

Relocation Policy: Todd Philips, Director of Policy and Public Affairs, Housing Commission, presented a draft of the Relocation Policy. He indicated that Provision 5.4, Payment of Fees, had been added to the policy but indicated that no other provision had been changed from the document already approved by MHCIC. Mr. Philips stated that 5.4 is now standard language in many documents and that the fee structure is necessary to support the efforts of the Commission. The Committee agreed that the fees were reasonable. **The Committee unanimously approved the Relocation policy with the addition of Section 5.4.**

Before leaving the meeting, Mr. Philips explained his understanding of the closure process

of Coronado Palms Mobile Home Park. He stated that the Housing Commission has attempted to help tenants get fair value for their property. He stated that the Commission has approved the latest version of the contract with Lennar Homes.

A member from the audience raised a concern that tenants had not received their 6 month notice and thus were caught in limbo not knowing when they would need to move. The tenant further stated that in order to receive their relocation package, they had to wait. A MHCIC Committee member suggested that they might want to consider negotiating directly with the Mobile Home Park Owner before the issuance of the 6 month notice.

A tenant also asked Mr. Philips if the Commission used a relocation formula. Mr. Philips indicated that the formula is on the last page of the Relocation policy.

Right of First Refusal: Bob Gould explained that Sue Loftin was unable to attend the meeting to discuss Right of First Refusal. He suggested that Steve Dinkin, MHCIC's natural, send a formal letter to Ms. Lofton requesting that she appear at the April 16, 2008 meeting. The Committee unanimously agreed that Mr. Dinkin should send the letter.

Under Announcements, a tenant from Mission Valley Village Mobile Home Park explained that the SD Planning Commission did not approve removal of the overlay at their October 15, 2007 meeting but that the Commission did approve to move forward to study and consider the removal of the overlay. The MHCIC suggested that the time frame for closure could extend from 2-5 years.

Mr. Dinkin thanked Mr. Epstein for his generosity for hosting past MHCIC meetings and announced that future meetings would return to the War Memorial building in Balboa Park.

Under New Business, Mr. Baldwin suggested that the Committee consider electing a new MHCIC Chair and Vice Chair. Both Mr. Baldwin, Chair, and Mr. Rhodes, Vice Chair, stated that it has been the policy of MHCIC to rotate the Chair and Vice Chair position between Mobile Home Park Owners and Mobile Home Owners and that both would welcome new leadership. The Committee agreed to discuss the matter at the next Committee meeting scheduled for April 16, 2008.

Meeting adjourned at 2:15pm.