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February 24, 2017

Via Electronic and First Class Mail

Honorable Mayor Glenn Hendricks
Vice-Mayor Gustav Larsson
Council Member Jim Griffith
Council Member Larry Klein
Council Member Nancy Smith
Council Member Russ Meltor
Council Member Michael S. Goldman
City of Sunnyvale
456 W. Olive Ave.
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Re: Rebuttal to Response of the Blue Bonnet Residents' Committee submitted by William J. Constantine, Attorney, concerning the Approval of the Conversion Impact Report for Blue Bonnet Mobilehome Park March 7, 2017 City Council Meeting

Dear Mayor, Vice Mayor and Council Members:

Introduction

This letter is intended as the rebuttal of East Dunne Investors LLC (the Applicant) to the undated letter from Attorney William J. Constantine entitled "Response of the Blue Bonnet Residents' Committee in Opposition to the Approval of the Conversion Impact Report and Supplemental Conversion Impact Report and Staff Report" (the "Response Letter"). The Response was received by the Applicant and City Staff one day prior to the previously scheduled January 24, 2017 City Council Meeting and was prepared by William J. Constantine, identified as the attorney for a Residents' Committee. While Mr. Constantine does not identify the residents and non-residents who comprise the Residents Committee, we note that, of the fifty households within Blue Bonnet at the time this process commenced, only nine resident owners and one non-resident absentee owner signed the "protest petition" attached to the Response Letter.

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We believe the Constantine Response Letter misstates relevant State law regarding mobilehome park closures, as well as the City's mobilehome park conversion Ordinance¹. Further, Mr. Constantine offers a misguided attack on the CIR based largely upon the perceived failure of the CIR to reveal confidential homeowner and tenant information in order to "prove" that individual tenants can be relocated. In fact, the Conversion Impact Report (CIR) does meet all state and local requirements, and demonstrates the availability of desirable, local replacement housing for all current Blue Bonnet residents.

Many of the contentions made in the Response are duplicative of earlier arguments made by Mr. Constantine, many of which are addressed in the Applicant's December 15, 2016 letter to Trudi Ryan, Director, Community Development Department, and the Staff Report to Council prepared for the January 24, 2017 hearing wherein Staff recommended approval of the CIR. In response, this Rebuttal is organized to first, respond to the three procedural issues contained in the Response, and then to respond in a comprehensive manner to Mr. Constantine's arguments attacking the legal sufficiency of the CIR.

Part I Rebuttal to Procedural Issues Raised in the Residents Committee's Response:

1. Issue No. 1 – Procedural Issue: *Is there a Requirement to Evaluate the CIR at a future Development's Tentative Map Hearing under Government Code Section 66427.4?*

Mr. Constantine asserts that the CIR must be evaluated in conjunction with the filing of a tentative map for a subdivision to be created after conversion of the mobilehome park. In this case, the Applicant has not submitted an application for the subdivision of the property, seeking only the City's approval of the park closure at this time. Government Code Section 65863.7 is controlling under the circumstances, and empowers the City to review and approve the proposed closure and CIR independent of any possible future development of the property. In any case, the character of the future development of the property does not change the mitigation requirements under the CIR.

2. Issue No. 2 – Procedural Issue: *Mr. Constantine asserts that the Residents Committee was denied due process (a) in that the Residents' Committee had inadequate time to consider additional information submitted by the Applicant to City Staff following the Housing and Human Services Commission (HHSC) Meeting of November 16, 2016, and (b) the confidential homeowner information reported by homeowners and transmitted to the City has not been provided to the homeowners.*

Mr. Constantine argues that Applicant's letter of December 15, 2016, to Trudi Ryan, which addressed certain issues discussed at the HHSC meeting, together with the accompanying Replacement Housing Survey and Mitigation Assistance Update and Supplement prepared by

¹ Title 19 (Zoning), Sunnyvale Municipal Code, Chapter 19.72, Mobile Home Park Conversions Chapter 19.72 ("the Ordinance").

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David Richman (Housing Relocation Specialist), constituted a Supplement to the CIR, and as such, should have been delivered to the residents at least 15 days prior to the previously scheduled City Council hearing. In response to this argument, the City Council continued the hearing of January 24, 2017, to March 7, 2017, and the Applicant's Letter, as well as Mr. Richman's Update and Supplement were copied, translated into Spanish, Vietnamese and Chinese, and personally served on the remaining households at least 30 days prior to the continued Council hearing of March 7, 2017. Accordingly, this issue has been resolved.

3. Issue No. 3 – Procedural Issue: *Mr. Constantine argues that the Applicant and the City has withheld certain confidential information from the Residents Committee, and by implication, all of the Residents of the Park.*

Mr. Constantine seems to suggest that the information provided to the City's relocation specialist and thereafter transmitted by the City's relocation specialist confidentially to the City staff is being withheld from the homeowners. We are confused by this argument. First, the information provided to the City is available for review by the homeowners upon request to City staff. Obviously, City staff will not disclose the information relating to homeowners other than the homeowner requesting information, but there is no reason why the homeowners cannot get together to share their own personal information should they so desire. Neither the City nor the Applicant can be expected to take information which is generally confidential and make it public. However, the relocation specialist and the City have used all collected data to ensure that the CIR adequately accounts for all of the circumstances of each homeowner within Blue Bonnet, although without reference to the specific homeowner or unit number

In addition, the City's relocation specialist is available to meet with any homeowner upon request, and in fact has office hours on-site every other Saturday from 1-3 p.m. and by appointment. Debbie Martinez, a Relocation Specialist Consultant averages 2 appointments per week with residents.

Further, Mr. Constantine argues that the Applicant has refused to disclose the income and other characteristics of the displaced households, arguing that without such information, the homeowners, and the City cannot determine whether the housing discussed in the CIR and Supplemental CIR are truly available to them, or whether their availability is, in fact, "illusory."

Of all of the matters discussed in the Response Letter, this is the most disingenuous argument made by the Committee's attorney, Mr. Constantine. Until this letter, the Applicant has undertaken every effort to protect the identities and private information of the Park residents including their names, occupations, household sizes, and income levels. The City's Ordinance specifically provides in SMC §19.172.090, subsection (b) that a list containing additional information shall be *submitted separately from the CIR*. The Ordinance further provides that the Director [of Community Development] shall maintain the list as a confidential public record which shall not be disclosed to the public except under the judgment, order or decree of a court of competent jurisdiction. Despite this clear directive of the Ordinance, the Residents Committee asserts the net result of the Applicant's compliance with the Ordinance is to create "illusory" housing opportunities.

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The residents who participated in these surveys have made public extremely private financial and other information. Whether these residents were informed or realized that such information would soon become part of a public record, accessible to all, is unknown, particularly since not all of the participating residents signed the Protest Letter and the Protest Letter was not, to our knowledge, translated if needed. Although these residents may choose to disclose this private information, the Applicant has no such option. Mr. Constantine ignores the fact that the Confidential Resident Information, which is a separate document as required by the Ordinance is available to all of the Council members who can review it for information concerning each household to be relocated. It is not the burden or duty of the Applicant to discuss in a public document each household's particular circumstances, and to demonstrate what kind of alternative housing is available to that household. The relocation of each household is the job of the Housing Relocation Specialist. The Applicant must demonstrate the *adequacy of the mitigation assistance*. The Applicant, by complying both with the specific terms of the Ordinance concerning mitigation assistance, and further by *exceeding those requirements in the mitigation assistance offered in the CIR*, has met its burden.

Part II: Rebuttal to Legal Issues raised in the Residents Committee's Response

Mr. Constantine asserts a panoply of arguments attacking the legal sufficiency of the CIR, including that the CIR fails to prove that each individual homeowner - by name and by reference to the individual's income and status - can find replacement housing. The Response is a confusing attempt to link previous arguments made by Mr. Constantine in a letter to the Housing and Human Services Commission dated November 15, 2016, and to refute additional information provided by David Richman and the Applicant to Trudi Ryan, Director of Community Development on December 15, 2016. The following is the Applicant's rebuttal to the arguments raised by Mr. Constantine in the Response.

1. The Conversion Impact Report (CIR) meets all state and local requirements, and demonstrates the availability of desirable, local replacement housing for all current Blue Bonnet residents.

The Staff report to Council prepared for the January 24, 2017 Council hearing confirms this conclusion and recommends approval of the CIR. The Applicant anticipates that Staff will again recommend approval at the March 7, 2017 hearing. The Ordinance *requires Council approval* if the Council finds:

(a) Preparation, noticing, and distribution of the CIR has been done in compliance with this chapter; and,

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(b) The CIR includes adequate information and options, and takes adequate measures to address the adverse social and economic impacts on displaced residents and mobilehome owners of a mobilehome park conversion. *See* SMC§19.72.130, subsection (c).

However, Mr. Constantine states that the CIR fails to demonstrate that the displaced homeowners it describes can qualify for residency to obtain alternate housing **“in the manufactured home parks that it reports on.”**

The Council should note that the Ordinance does not require that the Applicant discuss or establish in the CIR where each household will actually relocate to, including the type of housing and the cost of housing for that specific household. Instead, through a discussion of the categories of mitigation assistance set forth in the City’s Ordinance, the CIR demonstrates how the Applicant is providing for each category of mitigation assistance and how, with the help of the City’s chosen Housing Relocation Specialist, each household will in fact be relocated to alternative housing. *The Ordinance does not require that this Council find that each household can and will be relocated to another mobilehome in Sunnyvale, or any other type of home located in Sunnyvale.*

The households at Blue Bonnet will, with the mitigation assistance as provided for in the CIR, have many options for relocation to other housing, including options within mobilehome parks in and around Sunnyvale. Each household will be assisted in the effort to find replacement housing by experienced relocation specialists whose only job is to find replacement housing. *To date, approximately 28% of the 50 Blue Bonnet households which are discussed in the CIR have already relocated or are in the process of relocating.* If the mitigation assistance was as inadequate as Mr. Constantine contends, these households could not be identifying and moving to new housing.

2. Mr. Constantine submits 15 homeowner surveys as proof that the mitigation assistance is not adequate, and that those homeowners cannot purchase another mobilehome.

Mr. Constantine has chosen to submit, as a *public document*, the Committee’s own version of a “Blue Bonnet Residents Survey for Opposing the Closure of Your Park.” Said surveys reflect not only the self-reported income of the households completing the surveys, but also a select page of the Notice of Eligibility letter which each resident received from David Richman. The page which Mr. Constantine attaches reflects the amount that each of the petitioning households will receive as mitigation assistance, *without the incentive bonus*.

Below in Table 1, is a list of the spaces of the homeowners who completed the surveys. The Council should note that the names of the residents are not included. As described and discussed at length in the CIR (see Sections 17 and 18), the mitigation assistance consists of 3 elements: the appraised value of the home, a 24-month rent subsidy for qualifying residents, who are either low income, disabled or senior, and a Moving Allowance. The Moving Allowance includes the cost of moving personal property from the mobilehome, as well as a first and last month’s rent and security deposit at the new housing.

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As to the rent subsidy and moving allowance, these are based on Sunnyvale average market rate apartment rents and not mobilehome space rents. For example in Table 1 the Council will note that the homeowner who resides at Space 3, in a 1 bedroom home, currently pays \$940 per month for space rent at Blue Bonnet, but will receive a rent subsidy consisting of the difference between his space rent and *Sunnyvale market rate apartment rent of \$2,255.00 per month, for a monthly rent subsidy of \$1,315 for a period of 24 months. [\$1,315 x 24= \$31,560.00]*.

In addition, the incentive bonus ranges from \$3,051.00, for a one bedroom home, \$3,483.00, for a two bedroom home, and \$5,103.00, for a three bedroom home.

Table 1 contains information from the surveys submitted by the Residents Committee, and supplemented with the incentive bonus as provided in the CIR. The column “Age” reflects the age of the resident, and in the case of a married couple, the oldest spouse

TABLE 1

Space	Age	Bed	Bath	Space Rent	Assistance	With Incentive Bonus
3	74	1	1	\$940.00	\$ 119,075.00	\$ 122,126.00
10	?	2	1	\$944.00	\$ 126,803.00	\$ 130,286.00
11	63	2	1	\$788.00	\$ 118,723.00	\$ 122,206.00
12	45	2	1	\$874.00	\$ 116,483.00	\$ 119,966.00
17	47	2	1	\$856.00	\$ 160,915.00	\$ 164,398.00
30	57	1	1	\$1,000.	\$ 111,635.00	\$ 114,686.00
26	69	2	1	\$931.00	\$ 106,291.00	\$ 109,774.00
32	64	2	1	\$845.00	\$ 146,179.00	\$ 149,662.00
33	39	2	1	\$1,000.00	\$ 154,459.00	\$ 157,942.00
45	59	2	1	\$845.00	\$ 156,179.00	\$ 159,662.00
48	60	2	2	\$852.00	\$ 154,011.00	\$ 157,494.00
52	32	2	1	\$1,000.	\$ 150,459.00	\$ 153,942.00
53	?	2	1	\$872.00	\$ 130,531.00	\$ 134,014.00
31	?	2	1	\$860.00	\$ 121,819.00	\$ 125,302.00
39	50	1	1	\$852.00	\$ 129,187.00	\$ 132,238.00

Of the 15 households who participated in the survey, 7 households would qualify for residency in senior parks. Some surveys do not reflect the age of the participants, so it is unknown if those households also might be considered eligible for senior mobilehome parks.

The Residents Committee argues that this mitigation assistance, which is now a matter of public record, is not sufficient for these homeowners to buy another mobilehome or rent some other type of housing of the resident’s choosing.

Addressing the first issue of purchasing another mobilehome, the Applicant submits that the information provided in Table 2 below is highly instructive. Table 2 reflects mobilehomes

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which are listed for sale, as reflected on the Multiple Listing Service of Santa Clara County or through Craig's List, as of the first week of February 2017. Table 2 also contains the names of the mobilehome parks in which these homes are for sale, and their location in Santa Clara County. The list has been divided to reflect the sales prices of these homes within certain ranges. Table 2 also reflects if the park is a senior or family park, and finally the base space rent charged by that Park for the space upon which the home is located.

TABLE 2

Santa Clara County Mobile Homes for Sale									
PRICE	BED	BATH	SQ.	YEAR	PARK	CITY	TYPE	SP RENT	Source
\$ 109,000.00	2	2	780	n/a	Lamplighter	San Jose	Family	n/a	Craigslis
\$ 109,500.00	2	2	1440	1976	Willow Ranch	Sunnyvale	Senior	\$ 930.00	MLS
\$ 109,900.00	2	1	550	1961	Hilton Mobile Park	San Jose	Family	\$ 410.00	MLS
\$ 110,000.00	2	2	1368	1973	Casa De Amigos	Sunnyvale	Family	\$ 1,250.00	MLS
\$ 110,000.00	2	2	920	1979	Fairoaks Mobile Lodge	Sunnyvale	Family	\$ 1,300.00	MLS
Total \$100,000-\$110,000:							5		
\$ 116,000.00	2	2	1248	1973	Casa De Amigos	Sunnyvale	Family	\$ 1,600.00	MLS
\$ 127,900.00	2	2	1000	1975	Willow Ranch	Sunnyvale	Senior	\$ 1,018.00	MLS
\$ 129,000.00	3	2	1070	2000	San Jose Verde	San Jose	Family	\$ 1,400.00	MLS
\$ 129,988.00	2	2	1740	1980	Sunshadow	San Jose	Family	\$ 1,353.00	MLS
\$ 130,000.00	3	2	480	n/a	Caribbees	San Jose	Family	n/a	Craigslis
\$ 130,000.00	3	2	1450	1974	Casa Del Lago	San Jose	Family	\$ 1,583.00	MLS
Total \$110001-\$130,000:							6		
\$ 134,500.00	2	2	1440	1973	Casa Del Lago	San Jose	Family	\$ 1,382.00	MLS
\$ 135,900.00	2	2	1440	1977	Mountain Springs	San Jose	Senior	\$ 756.00	MLS
\$ 137,900.00	2	2	1440	n/a	Mountain Springs	San Jose	Senior	\$ 780.00	Craigslis
\$ 139,000.00	2	2	1000	n/a	Westwinds	San Jose	Family	n/a	Craigslis
\$ 139,000.00	2	2	939	1972	Westwinds	San Jose	Family	n/a	Craigslis
\$ 139,000.00	3	1	797	1974	Westwinds	San Jose	Family	\$ 1,280.00	MLS
\$ 139,000.00	2	1	672	1974	Mountain Shadows	San Jose	Family	\$ 542.00	MLS
\$ 139,500.00	3	2	1440	1972	Mountain Springs	San Jose	Senior	\$ 928.00	MLS
\$ 139,900.00	2	2	1344	1976	Casa De Amigos	Sunnyvale	Family	\$ 1,250.00	MLS
\$ 139,900.00	3	2	1490	2001	Colonial Mobile Manor	San Jose	Senior	\$ 912.00	MLS
\$ 139,999.00	1	1	672	1980	Pepper Tree Estates	San Jose	Family	\$ 525.00	MLS
\$ 142,900.00	2	2	1440	1977	Millpond	San Jose	Senior	\$ 931.00	MLS
\$ 145,000.00	2	2	1368	1969	Colonial Mobile Manor	San Jose	Senior	\$ 686.00	MLS
\$ 145,000.00	2	2	1440	1975	Willow Ranch	Sunnyvale	Senior	\$ 930.00	MLS
Total \$130,001-\$145,000:							14		
\$ 148,000.00	2	2	1440	1972	Casa De Amigos	Sunnyvale	Family	\$ 1,250.00	MLS
\$ 149,000.00	2	2	1040	1978	Summerset Mobile Estates	Alivso	Family	\$ 875.00	MLS
\$ 149,500.00	2	1	880	1990	Wagon Wheel Mobile Village	Gilroy	Senior	\$ 650.00	MLS
\$ 149,900.00	2	2	1040	1977	Summerset Mobile Estates	Alivso	Family	n/a	Craigslis
\$ 149,900.00	2	1	724	1963	Pepper Tree Estates	San Jose	Family	\$ 405.00	MLS
\$ 149,900.00	2	2	1152	1973	Casa De Amigos	Sunnyvale	Family	\$ 1,250.00	MLS
\$ 149,900.00	2	2	1040	1978	Westwinds	San Jose	Family	\$ 1,034.00	MLS
\$ 155,000.00	2	2	1536	1978	Millpond	San Jose	Senior	\$ 879.00	MLS
\$ 155,000.00	2	2	1680	1980	Woodbridge	San Jose	Senior	\$ 966.00	MLS
\$ 157,250.00	2	2	1850	1978	Fox Hollow	Sunnyvale	Senior	\$ 1,308.00	MLS
\$ 159,000.00	2	2	1440	1980	Woodbridge	San Jose	Senior	\$ 865.00	MLS
\$ 159,000.00	2	2	960	1973	Casa Del Lago	San Jose	Family	\$ 1,300.00	MLS

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\$ 159,000.00	3	2	2100	1979	Millpond	San Jose	Senior	\$ 978.00	MLS
\$ 159,900.00	2	2	1080	1970	Adobe Wells	Sunnyvale	Family	\$ 979.00	MLS
\$ 159,900.00	2	2	784	2012	Westwinds	San Jose	Family	\$ 1,055.00	MLS
\$ 159,900.00	3	2	1120	1991	Westwinds	San Jose	Family	\$ 1,249.00	MLS
\$ 159,900.00	3	2	1248	1974	Casa Del Lago	San Jose	Family	\$ 1,054.00	MLS
\$ 159,900.00	3	2	1344	1977	La Buona Vita	San Jose	Senior	\$ 750.00	MLS
Total \$145,001-\$160,000:								18	
Grand Total:								43	

There are 5 homes for sale below \$110,000, 11 homes for sale below \$130,000, 43 homes for sale below \$145,000 in a wide variety of parks located in Santa Clara County. As Table 1 reflects, the monthly space rent for the 15 Blue Bonnet households who participated in the survey, ranges from a low of \$788.00 and a high of \$1,000. The average is **\$897.26**, nearly **\$900.00**.

In Table 2, although there are a total of 48 homes listed for sale, 44 of the listings show what the buyer would pay as space rent when purchasing that home. Of the space rents listed for homes as shown on Table 2, the average rent at Blue Bonnet is **higher than in 12 of the homes listed for sale. There are another 8 parks in which the rent would only be \$100 a month higher than at Blue Bonnet.** Accordingly in approximately half the parks listed in Table 2 with homes for sale, the space rent would be the same or within \$100 higher than the current rent the Blue Bonnet homeowners are currently paying.

Despite the fact that the mobilehome space rent at approximately half the mobilehome parks listed above is comparable, or within \$100 of what the residents currently pay at Blue Bonnet, the residents receive a rent subsidy *based on market rate apartment rents in Sunnyvale*. In the case of a homeowner paying the highest amount of monthly space rent at Blue Bonnet, namely \$1,000, the difference between that monthly rent and the highest mobilehome space rent for any park on the above list is \$600. As Table 2 demonstrates, Casa de Amigos, a Sunnyvale park, is charging \$1,600 for monthly space rent for one of the mobilehomes listed for sale in Table 2. If the rent subsidy were based on the difference between the Blue Bonnet rent and the highest mobilehome space rent in Sunnyvale for a period of 24 months, the rent subsidy would equal **\$14,000**. The Casa de Amigos home for sale is a 2 bedroom home. For the homeowners at Blue Bonnet with a 2 bedroom home, the rent subsidy for a 2 bedroom home is **\$45,309**. The survey information, as well as page 3 of the Notice of Eligibility Letter for the residents at 13 spaces, confirms this amount. Thus, the rent subsidy under Option 2 of the CIR ***is more than 3 times what the same homeowner would receive if it were based on the actual difference between that homeowner's rent at Blue Bonnet and the new rent at a park such as Casa de Amigos.***

Tables 1 and 2 demonstrate the following:

1. The total relocation packages being paid to the homeowners who chose to identify themselves as those in opposition to the proposed mitigation assistance, when taken together, is sufficient to allow those homeowners to purchase another mobilehome in another park. To

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facilitate relocation, the mitigation is paid as a lump sum to allow the homeowner the option of applying all or a portion of the mitigation assistance to the purchase of another mobilehome.

2. The rent the homeowners are paying at Blue Bonnet is comparable to rent at other mobilehome parks, including Sunnyvale and nearby San Jose.

Can the petitioning homeowners buy homes at other mobilehome parks in Santa Clara County given the mitigation assistance that is being provided to them by the Applicant, pursuant to the Ordinance? The answer is an unequivocal “yes”.

3. Mr. Constantine argues that it is the burden of the Applicant to prove, presumably through public dissemination of private information, that each homeowner can qualify for residency in a mobilehome park of that homeowner's choosing, and that its alleged failure requires the Council to disapprove the CIR.

The ability of a homeowner to qualify for alternative housing is a function of that particular homeowner's income, expenses and preferences. The Council can review the income status of all homeowners and residents in the Park in a document which is under Staff's control, entitled, “Confidential Resident Information for the Residents and Tenants of Blue Bonnet Mobile Home Park” (hereinafter, “Confidential Resident Information Report”). The information contained in that report is required by SMC §19.72.090 (b), and was submitted by David Richman as the Housing Relocation Specialist at the same time the CIR was submitted, and is maintained by the Director of Community Development. The information contained in the Confidential Resident Information Report, which includes among other things, information concerning the *unverified, self-reported income for each household*, was provided by each household to Consultant Debbie Martinez, the on-site consultant working with David Richman. SMC §19.72.090 (c) specifically provides that the information must be kept confidential and not disclosed to the public. The Council can therefore review and determine, in the case of the 15 residents who completed surveys (which included un-redacted information about their incomes), whether the information contained in the Confidential Information Report is consistent with the information the resident provided on the survey form. If it is inconsistent, then the homeowner provided different information to the Housing Relocation Specialist than is reflected in the Resident's survey.

The Residents Committee argues that most apartment complexes require a 33% housing cost to income limit to determine whether a renter can pay the rent. In fact, there is a 3 to 1 income to housing cost ratio in most forms of rental housing, including the rental of mobilehome park spaces. As reflected in Table 1 above, the space rents paid by the residents average just slightly under \$900 per month.² As demonstrated by the space rents included in Table 2, there are 12 parks with monthly space rents at \$897.26 or less, and another 8 which are \$997.26 or less, for a total of 20 parks with space rents close to what the residents at Blue Bonnet are currently paying. Thus the rental rates at other available mobilehome parks should not prevent relocation by Blue

² The mobilehome units at spaces 6, 7, and 34 are owned by absentee owners and subleased. The Applicant has not been shown the rental agreements between the absentee owners and the subtenants, and thus does not know the amount of rent being paid by the subtenants to the absentee owners.

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Bonnet homeowners, particularly in light of the fact that the total amount of mitigation assistance as reflected in Table 1 will allow them to buy many of the mobilehomes listed for sale at these parks.

A resident's "housing cost," which figures into their ability to afford space rent at a new park, includes any mortgage or loan payment. Of the 15 residents who participated in the surveys, the survey information reveals that only 2 of those surveyed have mortgages on their homes. *The other 13 residents own their homes without mortgages*, and thus the lump sum mitigation assistance, which per Table 1 ranges from a low of \$114,686, to a high of \$164,398, can be fully applied, at the Residents option, to the purchase price of the home. Paying in full for another mobilehome will lower the monthly housing cost to the base space rent and utilities. Since the space rents at Blue Bonnet are equivalent or within \$100 of approximately half of the parks with homes listed for sale per Table 2, the surveyed residents could qualify. Simply stated, if the residents are currently paying, on average, \$900 per month in space rent, they should be able to demonstrate that they can continue to pay that amount at a new park.

Further, the Residents Committee colloquy on the residents' income levels relative to what housing they can afford ignores entirely that it is the job of the Housing Relocation Specialist to seek and find all opportunities for subsidized or low income housing for all of the households in the Park. Mr. Richman and the on-site consultant, Ms. Debbie Martinez, have from the beginning of this process, encouraged every household, if they qualify, to join the lists for affordable housing opportunities not only in the City of Sunnyvale, but also in the surrounding cities where a household might want to live. At every meeting held with the Residents to date on this matter, Sunnyvale Housing Officer Suzanne Ise has spoken, as well as Ernie Defrenchi, inviting residents to inquire about, and meet with city officials regarding the rental of below market rate housing, and the purchase of below market rate housing. The Applicant encourages the Council at the upcoming hearing, to ask questions of Mr. Richman and Debbie Martinez, as the designated Housing Relocation Specialists, about what efforts they have made to deal with the special issues present in low income and very low income households.

4. Mr. Constantine argues that the Ordinance requires relocation to a mobilehome park, and further that mobilehome park must be in Sunnyvale.

The Ordinance does not provide that the mitigation assistance must be of such an amount that the mobilehome owner can buy any home the homeowner chooses *in Sunnyvale*, or at another specific park which is favored by the homeowner. However, based upon the mitigation assistance offered, homeowners will have many options available in Sunnyvale and nearby in San Jose.

The Ordinance provides that the CIR contain a Relocation Plan that specifies Replacement Housing, which means relocation to a comparable park, *or rental or purchase of other housing*. See SMC §19.72.090(f) (2). A comparable mobile home park is defined as:

Any other park similar to the subject park in terms of amenities, rent, and other relevant factors, such as proximity to public transportation

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and shopping, the job market where a displaced resident is employed,
and proximity to schools if the resident has school age children.

If the Council reviews Section 19.72.080 of the Ordinance, which discusses and enumerates the categories of Relocation Assistance, the Council will note that the relocation description described there does not require the Applicant to relocate a displaced resident to a mobilehome, or other housing in Sunnyvale. Further there is no language in the Ordinance that requires the Applicant to demonstrate or describe how each displaced resident will qualify for alternative housing. It is the job of the Relocation Specialist to evaluate and assist each household to locate housing which they qualify for.

The Ordinance requires the Applicant to provide a list of vacant spaces in parks within 20 miles of the park and in any other locations within California desired by mobile home owners.³ The list can be found in Appendix 18 of the CIR and is discussed in Sections 15 and 16 of the CIR as found on pages 26 to 31. For homeowners who cannot be relocated to a park within 20 miles of Blue Bonnet, the Ordinance requires the Applicant to address the availability and cost of renting or purchasing comparable housing in the City or any other locations desired by residents who cannot be relocated to another park.⁴ Both the CIR and the Replacement Housing Survey and Mitigation Assistance Update as authored by David Richman of Autotemp, Inc., do in fact address those costs. *The most important information the Council can consider is the opinion of the Housing Relocation Specialist as to whether, given the mitigation assistance described in the CIR, the Housing Relocation Specialist will be able to relocate the homeowners and renters of park homes to alternative, comparable housing.* Mr. Richman has stated that he can in fact accomplish that.

Finally, the Ordinance does not require or suggest that the Applicant must relocate the resident to a park which *is superior* in terms of amenities or proximity to public transportation or shopping to Blue Bonnet. Of the mobilehome parks listed in Table 2 which have homes for sale in the prices ranges equivalent to the mitigation assistance to be paid to the residents who participated in the survey, all of the parks are larger than Blue Bonnet, and of the 43 parks listed, 9 are parks in Sunnyvale. The remainder of the parks are located in San Jose, Gilroy or Alviso. The Applicant does not, and cannot, control which parks have homes for sale at any particular moment in time. There are 59 mobilehome parks in San Jose versus 15 mobilehome parks in Sunnyvale. Finally, the City of San Jose has had mobilehome park rent control since 1985, which has resulted in lower space rents. As to the remainder of the issues which define a “comparable park” under the City’s ordinance, it is up to the individual homeowner to determine if the park is close to the homeowner’s job market, schools and public transportation if that homeowner in fact requires close access to public transit.

³ See SMC §19.72.090 (c).

⁴ See SMC §19.72.090 (d).

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5. *Despite the Resident Committee's representations to the contrary, the parties submitting the petition are not all resident homeowners.*

The information submitted by the Residents Committee in its response contains a "Petition of Protest" signed by a total of 16 individuals. The Petition begins with the statement that, "I am a resident homeowner at Blue Bonnet Manufactured Home Park in Sunnyvale⁵...." The first signature on the Petition however, is that of Mary Lou Clark, who lists her residence as Space 34. Ms. Clark, who appeared before the Sunnyvale City Council in the previous hearing on January 24, 2017, identifying herself as the leader of the Residents Association, is *not in fact a resident of Blue Bonnet, and to the best of the Applicant's knowledge, never has been.* Ms. Clark is in fact a landlord at Blue Bonnet – she rents her mobilehome to renters who pay her to lease the unit. She is one of 2 "absentee owners" of Park homes as identified in the Conversion Impact Report (*see* Section 12, paragraph 4, page 18). Ms. Clark, currently a resident of San Jose, will therefore *not be displaced* as a result of the Park's closure.

Conclusion

The Applicant continues to comply with, and exceed the requirements of the City's Ordinance in all aspects, and also seeks to treat the residents respectfully and responsively during this period of transition. Since the continuation of the Council Meeting from January 24, 2017 and the Applicant's review of the issues raised in the Resident Committee's Response, the Applicant has made the following proactive efforts:

- The Relocation Specialist now holds scheduled open office hours from 1-3 pm every other Saturday, and also meets with residents at other times by appointment at the Park. The Relocation Specialist met with all of the residents at the outset of this process, and has always been available by phone and email, and has made regular visits to the Park. After approval of the CIR, scheduled office hours will be increased as the residents relocation efforts move forward.
- The Relocation Specialist, as well as members of the City's Housing Department, continue to give the residents written referrals and other information concerning Low Income Housing and lists of mobilehome units which are for sale. As noted previously, Ernie Defrenchi of the City's Housing Staff has made continuous efforts to meet with residents to determine their willingness and ability to qualify in the City's robust below market for rent and for sale housing. The Applicant encourages the City Council at the upcoming hearing to ask questions of the Housing Officer, Suzanne Ise, regarding the City's housing programs, and their availability to the residents of Blue Bonnet.

⁵ Despite Mr. Constantine's continued reference to manufactured home parks, Blue Bonnet is a mobile home park as that term is defined in Civil Code §798.4, and it's operating permit with the California Department of Housing and Community Development confirms the Park's name as Blue Bonnet Mobilehome Park.

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- Housing Relocation Specialist David Richman reached out by phone to all signatories of the protest letter, as well as those who spoke at the hearing to listen to concerns and provide additional support.
- As stated in previous correspondence to Trudi Ryan dated December 15, 2016, and as reflected in the Staff Reports, the Applicant has in fact exceeded the requirements for mitigation assistance under the terms of the Ordinance. The Applicant remains committed to the spirit and text of the Ordinance by responding to the needs of the residents and mitigating the adverse impacts of the closure upon them.

The Applicant looks forward to meeting the Council at the upcoming hearing on March 7, 2017 and responding to any questions by the Council.

Sincerely,

HOPKINS & CARLEY
A Law Corporation

 A handwritten signature in cursive script that reads "Margaret E. Nanda". To the right of the signature is a small circular stamp containing the initials "J.P."

Margaret E. Nanda

MEN

cc: East Dunne Investors, LLC

Trudi Ryan, Director of Community Development, City of Sunnyvale

Suzanne Ise, Housing Officer, City of Sunnyvale

John Nagel, City Attorney, City of Sunnyvale

William Constantine, Attorney at Law

(Via Electronic Mail only)

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