



City of Sunnyvale

Meeting Minutes - Draft

Housing and Human Services Commission

Wednesday, October 28, 2015

7:00 PM

Council Chambers, City Hall, 456 W. Olive
Ave., Sunnyvale, CA 94086

Special Meeting

CALL TO ORDER

Chair Evans called the meeting to order at 7:07 p.m.

SALUTE TO THE FLAG

Chair Evans led the salute to the flag.

ROLL CALL

Present: 6 - Chair Patti Evans
Vice Chair Barbara Schmidt
Commissioner Dennis Chiu
Commissioner Diana Gilbert
Commissioner Younil Jeong
Commissioner Chrichelle McCloud

Council Liaison Meyering (absent)

ORAL COMMUNICATIONS

None.

CONSENT CALENDAR

1.A [15-0933](#) Draft Minutes of the Housing and Human Services
Commission Meeting of September 23, 2015

Commissioner Gilbert moved and Commissioner Jeong seconded the motion to approve the Consent Calendar which was comprised of the Draft Minutes of the Housing and Human Services Commission meeting of September 23, 2015. The motion carried by the following vote:

Yes: 6 - Chair Evans
Vice Chair Schmidt
Commissioner Chiu
Commissioner Gilbert
Commissioner Jeong
Commissioner McCloud

No: 0

PUBLIC HEARINGS/GENERAL BUSINESS

- 2** [15-0760](#) Make Required Findings and Recommendation Regarding Conversion Impact Report for Nick's Trailer Court, Located at 1008 E. El Camino Real in Sunnyvale

Chair Evans noted that the meeting was being translated into two languages and asked speakers to be mindful of that and speak slowly when presenting.

Housing Officer Suzanne Isé gave a brief overview of the City's mobile home park conversion requirements. She explained that the City has policies that provide certain protections to residents of mobile home parks. Municipal Code Chapter 19.72 regulates mobile home park closures or conversions. It was updated in 2012 to improve the relocation assistance provisions for the residents, and to improve the overall process for all parties involved. The City also has policies in its General Plan to maintain at least 400 acres of mobile home park zoning or land use designations. The proposed closure of Nick's Trailer Park would not reduce the total current park acreage below that number.

She summarized the main requirements of Chapter 19.72, which include: giving notice to the residents of the intent to close or convert the mobile home park; the option for the residents to negotiate during the first 90 days to purchase the park from the owner (this option was not pursued by Nick's residents); preparing and distributing the draft Conversion Impact Report (CIR) to all the park residents, and providing relocation assistance to the residents.

Once the draft CIR is complete, the Housing and Human Services Commission holds a public hearing on the adequacy of the CIR and relocation plan. After the public hearing, the Commission makes a recommendation to Council regarding its findings on the CIR.

Council will also hold a public hearing and make findings to either approve the report as presented, or to approve it with modifications or conditions. After Council approves the CIR, the park owner must give the residents at least 6 months' notice

to move out, and provide the relocation assistance no less than 35 days before residents have to move.

Ms. Isé also summarized the types of relocation assistance required by Chapter 19.72, which include:

- 1) Advisory assistance provided by the City's relocation specialist;
- 2) Payment of moving costs (personal property);
- 3) Security deposit, first and last month's rent at the new unit;
- 4) For low-income, senior or disabled households: a two-year rent subsidy; and
- 5) Payment of the appraised value of the home, or the cost to move it to another park (for mobile home owners).

Representatives of the park owner, Ardie Zahedani and Jay Coles of Sunnyvale Park LLC, gave a brief presentation to the Commission to explain the relocation plan in more detail, and progress thus far in sharing the plan with the residents.

After some clarifying questions of staff and the applicant, Chair Evans opened the public hearing at 8:19 p.m.

The following speakers addressed the Commission with the assistance of an interpreter:

The Mother of Yu Zhou noted that the calculation of relocation assistance for her daughter's household appeared to be based on one person rather than the four people that currently live there. She asked if there is a solution for that.

Staff explained that the relocation payment consists of two items: the appraised value of the home, and a rent subsidy based on the number of bedrooms in the mobile home. The rent subsidy is not based on the number of people that live in the unit, but the size of the unit. [Note: Although not discussed at the meeting, staff would like to clarify that any residents who select the "Fully Verified" rent subsidy option may choose to rent a larger unit than their home in the park, and in that case, the rent subsidy would be based on the size of the new unit that they rent (see pp. 39-41 of CIR)].

Xiaoting Sun asked what the mobile home purchase price [appraised value] is based on. He stated that the payment being offered is only half of the market price to buy a similar home in another park. He also noted that the increasing rents represent a problem when calculating a subsidy two years out, how will the rent subsidy keep up with market increases?

The park representatives clarified that the mobile home appraisals are done by an appraiser selected from a list of qualified appraisers provided by the City. If a home owner is dissatisfied with the appraisal, he/she can get a second appraisal, and the park owner would pay the average of the two appraisals, consistent with Chapter 19.72.

Yiwei Zeng stated that he feels that the appraisal of his home is too low, since he is not able to buy another home with the payment that he is being offered based on the appraisal. He also noted that he is being forced to move out, he is not vacating voluntarily, so he doesn't have a choice but to sell his home to the park. In his opinion, the payment for his home should be sufficient for him to purchase another unit [in cash] or at least to require only some savings to be used and still be affordable. He also mentioned that if they chose to rent in the current market, the new rent would eventually not be affordable, making the rent subsidy only a short-term solution. He added that he is low-income and lives with his son who goes to school. This is truly a difficult situation and he hopes that the park owner takes that into consideration and helps them get over this hurdle.

The following speakers also addressed the Commission (without an interpreter):

Elio commented that he also was not satisfied with the appraisal of his home. He noted that he would not be able to buy another home with that amount, and that renting a place seems even more difficult considering the size of the families that live in these mobile homes. He added that often the number of people that live in these mobile homes exceeds the number of occupants allowed in apartments.

Salome Garcia, the on-site property manager at Nick's, spoke in favor of the options that he and other residents have been offered. He asked, on behalf of other residents, when would the relocation assistance funds be available to residents who choose the lump sum option?

The park owner representative explained that they can deliver a check within 3-5 days after the agreement outlining the terms of assistance is signed.

The Father of Yu Zhou noted, through the interpreter, that he doesn't think that the rent subsidy is being calculated correctly, since the mobile home park space rent includes some utilities (a \$50 gas charge), and the rent at another park or at an apartment complex may not include gas. Therefore, in his opinion, the utility portion [this gas charge] needs to be deducted from the base rent being used to calculate the rent subsidy.

After some clarification from staff, the park owner's representatives, and the relocation specialist regarding some of the questions and concerns raised by the speakers, Chair Evans closed the public hearing at 9:00 p.m.

The commissioners asked additional questions of staff, the park owner, and the relocation specialist and then had a lengthy discussion about certain details, before Chair Evans asked for a motion.

Commissioner Chiu moved and Commissioner Gilbert seconded the motion to recommend to Council Alternative 2: Conditionally approve the CIR with the following modifications, which, if incorporated into the CIR, would allow Council to make the required findings as stated in Alternative 1: Find that preparation, noticing, and distribution of the CIR has been done in compliance with SMC Chapter 19.72, that the CIR includes adequate information and options, and that it takes adequate measures to address the adverse social and economic impacts on displaced residents and mobile home owners of a mobile home park conversion; and approve the CIR. The modifications recommended included:

- 1) That the applicant clarify the details about any utilities included in the rent subsidy calculation, and to make appropriate adjustments to the calculation, if necessary, to ensure an "apples to apples" comparison;
- 2) That any release agreement to be signed by park residents who choose the "lump sum" option should not include any clauses involving releases unrelated to the city's relocation assistance requirements;
- 3) That the park owner shall notify the park residents of available legal and financial advisory services [e.g., Project Sentinel].

Commissioner Gilbert offered a friendly amendment to add to the motion.

Encourage the park owner to consider voluntarily doing the following:

- 4) offer any interested homeowners reimbursement for the cost of a second appraisal of their homes;
- 5) offer to update the appraisals closer to the date of residents' moves; and
- 6) increase the payments for the mobile homes to the mid-point between the appraised value of the home and the anticipated cost [to buy another mobile home].

Commissioner Chiu accepted the friendly amendment. The motion carried by the following vote:

Yes: 5 - Chair Evans
Vice Chair Schmidt
Commissioner Chiu
Commissioner Gilbert
Commissioner Jeong

No: 1 - Commissioner McCloud

Commissioner McCloud stated that she voted against the motion because she considered it unreasonable to ask the park owner to provide a replacement cost for households based on number of people in the home, and also didn't think that updated appraisals were needed, since the market didn't seem that volatile for mobile homes, and an updated appraisal would not necessarily be in favor of the mobile home owner.

3 [15-0973](#) Recommend that Council Approve Mortgage Credit Certificate Program (MCC) Cooperative Agreement between the County of Santa Clara and the City of Sunnyvale

Housing Officer Isé gave a brief report, explaining that the County has implemented an MCC program locally since the early 1990's, and the program had recently run out of funding authority. The County is now applying for a new allocation of funding authority from the State, and this new application presented a good opportunity to update and renew the old agreement between the City and the County that allows the County to administer the program within the City. The MCC's have benefitted many Sunnyvale first-time home buyers, many of whom have used MCC's to buy a Below Market Rate home.

Chair Evans opened and closed the public hearing at 9:56 p.m.

Commissioner McCloud moved and Commissioner Chiu seconded the motion to Recommend that Council approve the MCC Cooperative Agreement with the County of Santa Clara as shown in Attachment 2 and authorize the City Manager or designee to sign the Agreement in final form as approved by the City Attorney. The motion carried by the following vote:

Yes: 6 - Chair Evans
Vice Chair Schmidt
Commissioner Chiu
Commissioner Gilbert
Commissioner Jeong
Commissioner McCloud

No: 0

STANDING ITEM: CONSIDERATION OF POTENTIAL STUDY ISSUES

Chair Evans asked if anyone wanted to recommend any new study issues.

Commissioner Gilbert moved, and Commissioner McCloud seconded the motion to consider recommending to Council a future study issue to revisit the mobile home park conversion ordinance, to assess whether it should: use a measurement other than appraised value of the homes, such as replacement cost; revise the definition of comparable housing to take into account the occupancy of the unit; and to require the appraisals and rent subsidy calculations to be updated prior to the park closure date, to maximize benefit and minimize negative impact on the residents.

After some discussion, the motion carried by the following vote:

Yes: 6 - Chair Evans
Vice Chair Schmidt
Commissioner Chiu
Commissioner Gilbert
Commissioner Jeong
Commissioner McCloud

No: 0

NON-AGENDA ITEMS & COMMENTS

-Commissioner Comments

None.

-Staff Comments

Staff reminded the commissioners that they were invited to attend the MidPen's Open House for the proposed affordable housing development at 460 Persian Drive. The outreach meeting is scheduled for Thursday, October 29, 2015, from 6 p.m. to 8 p.m. at Daesung Presbyterian Church, located at 425 Tasman Dr.

ADJOURNMENT

Chair Evans adjourned the meeting at 10:37 p.m.