



November 24, 2015

VIA ELECTRONIC MAIL

Trudi Ryan
Director
Community Development Department
City of Sunnyvale
456 W. Olive Avenue
Sunnyvale, CA 94086

RE: Conversion Impact Report for Nick's Trailer Court
1008 E. El Camino, Sunnyvale, CA

Dear Ms. Ryan,

This letter addresses the findings and recommended modifications to the Conversion Impact Report (CIR) concerning the closure of Nick's Trailer Court, by the Housing and Human Services Commission (HHSC) at their meeting of October 28, 2015. Below are responses on behalf of Sunnyvale Park LLC, the Applicant/ Park Owner as to the Commission's recommendations.

1. Gas/Utilities Issue:

One household at the Park testified that natural gas was included in their space rent and requested that an adjustment be made if, at their new housing the rent did not include gas. The Park Owner has investigated this issue and it appears limited to a small number of potentially affected units. As to the unit which testified to this matter, that household is in the process of signing an Early Termination Agreement with the Park Owner and the monthly space rent was in fact discounted to account for the inclusion of gas in their base space rent. The Park Owner will work individually with

any remaining households to address any concerns regarding this utility calculation and if appropriate adjust the rent subsidy accordingly.

2. Early Termination Agreements:

The Park Owner and Housing Relocation Specialist are working closely with the residents to accommodate all requests to find and relocate to new housing prior to the anticipated approval of the CIR by the Council on January 5, 2016. The Early Termination Agreements with homeowners and renters have been translated into Spanish and Chinese and every homeowner and renter has been advised to seek legal counsel before signing the Agreements. The Agreements are reviewed with each renter and homeowner (with a translator as necessary), and the residents have an opportunity to ask questions and seek further explanation to any of the Agreement's provisions. Further every homeowner and resident is advised to seek the opinion or counsel of an attorney before signing the Agreement. The Agreements will continue to contain language which is standard and customary with respect to the final payment of mitigation assistance for homeowners and renters in a park which is closing. While the Park Owner appreciates the concern of the HHSC, the Park Owner believes the Agreements to be fair and reasonable. Further SMC § 19.72.080 specifically allows the applicant and any other person eligible for relocation to agree to *other mutually satisfactory relocation assistance* than that provided for in the Ordinance. In fact the Early Termination Agreements meet and exceed the requirements of all aspects of mitigation assistance addressed in the Ordinance. The incentive bonus payable to residents who choose the "lump sum" option is an example of mitigation assistance in excess of the requirements of the Ordinance. The Park Owner will continue to use language in the Agreements which it deems to be prudent and fair to all parties to the Agreements, while protecting its interests as a Park owner closing a mobilehome park and ceasing its' operations.

3. Notification of Available Services:

The Park Owner notes that Project Sentinel Staff members have attended all previous meetings with the tenants regarding the park closure. Debbie Martinez, the designated Housing Relocation Specialist from Autotemp will have available and offer at all future meetings with park residents, a brochure from Project Sentinel outlining the various services which the agency provides.

4. Voluntary Recommendations Regarding Appraisals:

The following background information regarding the appraisal of the park homes will hopefully be of assistance to the council when considering this issue. All of the homes in the Park were appraised by the firm of Beccaria & Weber. The choice of Beccaria & Weber, and specifically David Beccaria as the appraiser of the park homes was approved by Suzanne Ise, Housing Officer. Mr. Beccaria is, in the opinion of the undersigned, the most experienced mobilehome appraiser in the Bay area and routinely appraises mobilehomes for financial institutions and for homeowners. Mr. Beccaria's work is not primarily centered on, nor primarily related to closures or conversions of mobilehome parks. Mr. Beccaria is not supervised nor instructed by the Park Owner, he is in all respects an independent appraiser.

Prior to the homes being appraised by Mr. Beccaria or a member of his staff, the homeowner was given the opportunity to complete a form (which was given in English and in Spanish – contained in Appendix 11 of the CIR) with pertinent information about the home, and to submit any and all information to the appraiser that the homeowner deemed relevant. Such information included, for example, any improvements the homeowner made to the home and the date and price the homeowner paid when purchasing the home. The written appraisals were given to each homeowner at the time they received the CIR and Notice of Eligibility letter from David Richman of Autotemp. City Staff had requested that all of these documents be given to the homeowners at the same time so they would know and understand how much total mitigation assistance they would receive. Obviously for most homeowners, the appraised, in-place, fair market value of the home is the largest element of the mitigation assistance, thus it was important the homeowner receive this information at the time they also received the CIR and Notice of Eligibility.

Based on the fact that nearly half of the households as of the date of this letter have either signed Early Termination Agreements, or indicated they intend to as soon as they confirm alternate housing, the Park Owner is unaware of any general or widespread dissatisfaction with the appraisals. However for any homeowner that may have an issue with their appraisal there is a provision in the City's Mobilehome Park Conversion Ordinance SMC Section 19.72.080, subsection (d) (2) (D), which provides that in the event a homeowner disputes the value of his/her home, that homeowner may obtain another appraisal, and if the second appraisal is higher, the Applicant will pay the average of the appraisals. For any homeowner who, pursuant to the City's

Letter to Trudi Ryan
Page 4 of 4
November 24, 2015

Ordinance, obtains a second appraisal which results in a higher valuation, the Park Owner will reimburse that homeowner for the cost of the appraisal. Such reimbursement is not required under the terms of the City's ordinance and is entirely voluntary on the Park Owner/Applicant's part. Thus a homeowner incurs no cost by obtaining a second appraisal if the appraisal results in a higher valuation.

The Park Owner strongly believes that since the City has, via its Ordinance, a specific process in place that addresses the issue of a dispute by a homeowner with his/her appraisal, that the other "voluntary" recommendations of the HHSC are not necessary. The Park Owner will, directly or through the Housing Relocation Specialist listen to any concerns regarding a Homeowner's appraisal and will instruct Mr. Beccaria to re-visit any significant issue if such a review is at all likely to result in an increase of the Unit's in-space, fair market value. At all times the Park Owner has respected and followed the spirit as well as the letter of the Ordinance with respect to the appraisals of the homes, and the payment of 100% of in-place fair market value. The Park Owner will continue to do so until the Park closes.

5. Conclusion: In conclusion, as of the date of this letter, a number of homeowners and renters have already begun or completed the process of moving from the Park, well in advance of the City Council hearing. In general the homeowners and renters are in the process of either buying new mobilehomes within Santa Clara County, or have identified other types of housing and are taking steps to relocate to that housing. In all cases the Park Owner is acting expeditiously to get the required funds to the homeowners and renters to accommodate their requests for relocation. Further, the Housing Relocation Specialist continues to work diligently with the homeowners and residents to identify alternative housing. Finally the Park Owner is most appreciative of the input and suggestions from staff members of the Community Development Department of the City of Sunnyvale.

Very truly yours,


MARGARET ECKER NANDA

cc: Ardie Zahedani, Sunnyvale Park LLC
Jay Coles, Sunnyvale Park LLC
Suzanne Ise, Housing Officer, Community Development Department