

Blue Bonnet Mobile Home Park

Conversion Impact Report

Submitted to the City of Sunnyvale

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INTRODUCTION

Blue Bonnet is a mobilehome park located at 617 East Evelyn Avenue in the City of Sunnyvale (hereinafter “Blue Bonnet” or “the Park”). This Conversion Impact Report (“CIR”) has been jointly prepared per Section 19.72.060 (b) of Chapter 19.72 (Mobile Home Park Conversions) of Title 19 (Zoning) of the Sunnyvale Municipal Code (“SMC”),¹ by Autotemp, Inc., the designated Relocation Specialist, by Attorney, Margaret Ecker Nanda, and Attorney, Erika Gasaway, on behalf of the Applicant, East Dunne Investors, LLC. Its purpose per SMC Section 19.72.050 is to set forth the information required under SMC Section 19.72.090, and to “adequately define and address the social and economic impacts of the proposed conversion on displaced residents and mobilehome owners, as required by the city council.” This CIR is further prepared in satisfaction of California state law, specifically Government Code Section 65863.7 which requires the filing of a report on the impact of conversion, closure or cessation of use of a mobilehome park upon the displaced residents of the park to be converted or closed.

SECTION 1: PARK OWNER/APPLICANT; PARK RESIDENTS AND TENANTS; PARK DESCRIPTION; PARK HOMES; PARK HISTORY

A. PARK OWNER/APPLICANT:

Chien-Nan Chuang and Sue Chuang, Trustees of the Chien-Nan Chuang and Sue Chuang Revocable Trust dated 2002 own the Park. For purposes of this document, references to the “Park Owner” shall be references to Sue Chuang. The Park Owner purchased the Park in April 2005. She acquired the Park from the Albert H. and Martha Simpson Family Trust. The “Applicant” is East Dunne Investors, LLC, the buyer under a Purchase and Sale Agreement to purchase the Park property from the Park Owner.

B. PARK RESIDENTS AND TENANTS:

Pursuant to SMC Section 19.72.020(h) a “mobilehome owner” is defined as “The registered owner of a mobilehome, regardless of the number of such owners or the form of ownership, and who has the right to use a mobilehome space in the park.”

Under SMC Section 19.72.020(m) a “resident” is defined as, “a mobilehome owner who lives in the park or tenant.” Furthermore, the ordinance defines a “tenant” as, “a person

¹ Hereinafter cited as SMC Section 19.72, *et seq.*, or by the terms “The Ordinance” or “Conversion Ordinance.”

who lives in a mobilehome or other dwelling within a park under a bona fide lease or agreement and who is not a mobilehome owner.”

As used in this CIR, the term “mobilehome owner” refers to those persons who own their homes at Blue Bonnet; the term “resident” refers more specifically to those mobilehome owners who reside in those homes at the Park; the term “tenant” refers to those who rent their homes from the Park pursuant to bona fide lease agreements; the term “subtenant” refers to those persons who rent their homes from a mobilehome owner pursuant to bona fide lease agreements. (Thus, subtenants as used in this CIR are included in the definition of “tenant” in the Ordinance.) Currently, there are 50 total occupied spaces at Blue Bonnet. Of those, 26 are residents, 21 are tenants, and 3 are subtenants.

Sixteen residents have self-reported that English is not their primary language. Eight speak Spanish, three speak Chinese/Mandarin, three speak Vietnamese, one speaks Thai and one speaks Ukrainian. Any written agreements entered into by those residents will be provided in their primary languages. As indicated throughout this CIR, translation services will be provided throughout the closure/conversion process.

C. PARK DESCRIPTION:

Blue Bonnet is licensed by the State of California, Department of Housing and Community Development (HCD), which has exclusive jurisdiction over the licensing, regulation and inspection of mobilehome parks. Blue Bonnet operates under an HCD operating permit for 54 spaces. Blue Bonnet’s HCD Park Id No. is 43-0002-MP. Blue Bonnet is located on 3.4 acres and in addition to the Park streets and mobilehome spaces, also contains a Park office, clubhouse, swimming pool, and laundry room.

The Housing Relocation Specialist, Debbie Martinez, who interviewed the Park residents earlier in 2016, collected data based on her impression that there are 55 spaces at the Park. The authors suspect this is because, for unknown reasons, there is no space numbered 50 at the Park. That number is simply skipped in the numbering of the spaces. For the sake of consistency with the Housing Relocation Specialist’s data only, this CIR treats Space 50 as “vacant” even though it does not exist.

D. PARK HOMES:

As detailed more fully in Section 11, all the homes at the Park are mobilehomes. The homes at Blue Bonnet are considered “mobilehomes” because they either meet the statutory definition of a mobilehome² and, or, because regardless of the type of unit,

² See California Health & Safety Code Sections 18007 and 18008.

they have been situated on a space at Blue Bonnet for a period of more than nine months. California Civil Code Section 798.3, a provision of the Mobile home Residency Law provides that a mobilehome also includes trailers and other recreational vehicles of all types which are used for human habitation if, "The trailer or other recreational vehicle occupies a mobilehome site in the park for nine or more continuous months..."

All of the homes at Blue Bonnet have been situated in the Park for a period of nine months or more, and thus will be referred to throughout this report as "mobilehomes."

E. PARK HISTORY:

Public records confirm that Blue Bonnet was constructed in 1960 by its owners, Lawrence H. Reed and Esther M. Reed. Prior to 1960, from 1939 to 1960 the property was an orchard. The site has continuously operated as a mobilehome park with 54 spaces for mobilehomes since 1960 under various owners. As stated earlier, Sue Chuang acquired the Park in 2005 and has owned and operated the Park since that date.

F. PARK MANAGEMENT DURING CLOSURE/CONVERSION PROCESS

In July 2016 the Applicant and Park Owner hired a new property management firm, Nave' Consulting, to manage the Park during the transition, closure and conversion process. Nave' Consulting is a locally owned and operated professional management services firm. Geri Nave, 'the Principal of Nave' Consulting, has over 30 years' experience in managing mobilehome parks. Geri and her team will directly supervise the Park Resident Manager, Dewey Lamb, (Space 16) as well as all other aspects of the Park's operation. Nave' Consulting began their work at the Park in August 2016. Their expertise will be of great assistance to all the participants during this transition process.

SECTION 2: INITIATION OF CONVERSION PROCESS

Pursuant to SMC Section 19.72.030 a park conversion can occur in three ways.

- (a) Conversion. This Chapter applies to any conversion of a mobilehome park, including:
 - (1) A change of use;
 - (2) A change of the park or any portion to a condominium, stock cooperative, or any other form of ownership where spaces within the park are sold individually; or
 - (3) Cessation of use or closure of any portion of the park, whether immediate or gradual. This includes reduced occupancy of the park

as determined in Section 19.72.070 (Conversion due to Reduced Occupancy).

Pursuant to SMC Section 19.72.040, when an Applicant desires to convert a mobilehome park:

19.72.040. Notice of Intention to Convert.

(a) 90 Days' Notice of Intention. The applicant shall give a written notice of the intention to convert a mobilehome park at least 90 days before filing a request to initiate a general plan amendment or a development application, whichever is first. The notice shall be provided to all mobilehome owners and residents with proof of service, and a copy provided to the City. The notice shall be posted at all entrances of the park. The same written notice shall be provided to prospective new residents prior to payment of any rent or deposit.

(b) Notice Content. The notice shall contain the following information:

- (1) That the applicant proposes a conversion of the mobilehome park that requires City approval of a conversion impact report;
- (2) A description of the proposed development application, if applicable, and the required permit approvals; and
- (3) A statement that the applicant will file an application for a final public report with the California Department of Real Estate, if applicable.

On January 28, 2016, Sue Chuang as the Property Owner and East Dunne Investors LLC as the Applicant filed a Planning Division Application Form with the Community Development Department. See Appendix 1. On or about February 10, 2016, the City of Sunnyvale advised each Park "Resident of Blue Bonnet Mobile Home Park" that on January 28, 2016, the Park Owner had submitted an application to the City for review of a Conversion Impact Report. A copy of the letter, which was mailed by the City to the Park residents, is attached as Appendix 2. On that same date, February 10, 2016, the Park Owner caused to be personally served on each mobilehome owner, tenant and subtenant a Notice of Intention to close the park and convert it to a different use. See Appendix 3.

SECTION 3: APPLICABLE LAW REGARDING MOBILE HOME PARK CONVERSION AND/OR CLOSURE

In a mobilehome park, the tenant owns the personal property – the mobilehome – and rents the underlying land, referred to as “the space” from the Park Owner. The dwelling is therefore entirely owned by the tenant, unlike an apartment or other forms of rental housing. An entire section of the California Civil Code is devoted to a statutory scheme setting forth the rights and obligations of the Park Owner (referred to as “Management”) and the tenant (referred to as the “Homeowner”). This section of the Civil Code (Civil Code Section 798, *et seq.*) is commonly referred to as the “Mobile home Residency Law.” See Appendix 4.

Under the Mobilehome Residency Law, a tenancy in a mobilehome park can only be terminated for cause as enumerated in Civil Code Section 798.56. Among the enumerated causes is subsection (g) which provides in pertinent part as follows:

“A tenancy shall be terminated by the management only for one or more of the following reasons:

...

(g) Change of use of the park or any portion thereof, provided:

(1) The management gives the homeowners at least 15 days’ written notice that the management will be appearing before a local governmental board, commission, or body to request permits for a change of use of the Mobilehome Park.

(2) After all required permits requesting a change of use have been approved by the local governmental board, commission or body, the management shall give the homeowners six months’ or more written notice of termination of tenancy.”

In addition to the Mobilehome Residency Law, another section of California state law deals with mobilehome park closure and conversion to another use. Government Code Section 65863.7 provides in pertinent part:

(a) Prior to the conversion of a mobilehome park to another use, except pursuant to the Subdivision Map Act (citations), or prior to closure of a mobilehome park or cessation of use of the land as a mobilehome park, the person or entity proposing the change in use shall file a report on the impact of the conversion, closure, or cessation of use upon the displaced residents of the mobilehome park to be converted or closed. In determining the impact of the conversion, closure or cessation of use on displaced mobilehome park

- residents, the report shall address the availability of adequate replacement housing in mobilehome parks and relocation costs.
- (b) The person proposing the change in use shall provide a copy of the report to a resident of each mobilehome in the mobilehome park at least 15 days prior to the hearing, if any, on the impact report by the advisory agency, or if there is no advisory agency, by the legislative body.
 - (c) When the impact report is filed prior to the closure or cessation of use, the person or entity proposing the change shall provide a copy of the report to a resident of each mobilehome in the mobilehome park at the same time as the notice of the change is provided to the residents pursuant to paragraph (2) of subdivision (g) of Section 798.56 of the Civil Code.
 - (d) When the impact report is filed prior to the closure or cessation of use, the person or entity filing the report or park resident may request, and shall have a right to, a hearing before the legislative body on the sufficiency of the report.
 - (e) The legislative body, or its delegated advisory agency, shall review the report prior to any change of use, and may require, as a condition of the change, the person or entity to take steps to mitigate any adverse impact of the conversion, closure, or cessation of use on the ability of displaced mobilehome park residents to find adequate housing in a mobilehome park. The steps required to be taken to mitigate shall not exceed the reasonable costs of relocation (Emphasis added).

In addition to State law, the City of Sunnyvale first enacted an ordinance pertaining to the conversions of Mobilehome Parks in 1987, which was set forth in Title 19, Chapter 19.72. In 2012 the City amended the original ordinance and the amended ordinance is now contained in SMC Chapter 19.72 of Title 19 (Zoning), SMC Sections 19.72.010 to 19.72.140. The 2012 amendments generally increased the relocation assistance for the residents and tenants, provided for a right of negotiated purchase by the residents, and refined what the CIR must contain. Prior to the enactment of the amendments to SMC Chapter 19.72, two parks closed in Sunnyvale, Oasis Mobilehome Park in 2005/2006 and Flick's Mobilehome Park in 2006/2007. After the enactment of the amendments to SMC Chapter 19.72, an additional four parks have closed in Sunnyvale.

SMC Chapter 19.72 governing Mobilehome Park Conversions will be referred to herein as either the "Conversion Ordinance" or the "Ordinance." A copy of the Ordinance, in English, Spanish, Chinese, and Vietnamese is attached hereto as Appendix 5.

SECTION 4: RIGHT OF NEGOTIATED PURCHASE OF PARK BY DESIGNATED RESIDENT ASSOCIATION

A significant amendment to the Conversion Ordinance in 2012 was the addition of SMC Section 19.72.045 which created a “Right of Negotiated Purchase” for the Park. In the case of Blue Bonnet which is closing due to the intention to convert, SMC Section 19.72.045 provides that a designated resident organization may exercise the right to negotiate purchase of the mobilehome park if a written notice of interest is provided to the Park Owner within 90 days of the postmark date of the notice of intention to convert. If such a notice is provided to the Park Owner, the Park Owner must meet with the designated resident organization within 15 days of receipt of the notice to explore the possibility of acquisition of the park.

The Notice of Intention to Convert was issued by Sue Chuang and mailed to the Park residents and tenants on February 10, 2016. The Park tenants and residents had until May 10, 2016 to provide the Park Owner with a written notice of its interest to buy the Park. The Park Owner received no such notice and the Park has not been informed that a designated resident organization was formed. Because the statutory period for formation of a designated resident organization and notice to the Park Owner has passed, SMC Section 19.72.945 of the Ordinance will not be triggered with respect to the conversion of Blue Bonnet.

SECTION 5: CONVERSION IMPACT REPORT REQUIRED BEFORE CONVERSION

Pursuant to SMC Section 19.72.050(1), the CIR shall be filed before or at the same time as the development application. If a proposed conversion requires an amendment to the general plan, the CIR may be filed after initiation of the general plan amendment. This document has been submitted within the time period required. A development application has not yet been submitted. English and Spanish versions of this document will be served upon each person whose named appears on any rental agreement with Blue Bonnet per SMC Section 19.72.100 thirty (30) days prior to the hearing of the Housing and Human Services Commission. See Anticipated Timeline, Section 8.

SECTION 6: IDENTIFICATION OF HOUSING RELOCATION SPECIALIST

Pursuant to SMC Section 19.72.060(a) the Director of Community Development shall maintain a list of qualified firms with proven expertise in housing, relocation of displaced persons, and who are familiar with the region’s housing market. The ordinance then provides that the City shall hire the Relocation Specialist from the

Director's list at the Applicant's expense. The Applicant chose Autotemp, Inc. to manage the relocation process and the City thereafter entered into an agreement with David Richman of Autotemp, Inc., in mid-February 2016. Mr. Richman's team for the project includes Debbie Martinez who is fluent in Spanish and who conducted the initial tenant and resident interviews. Per SMC Section 19.72.060(b), the "relocation specialist is responsible for meeting with residents and helping them evaluate, select and secure comparable housing. Such services include technical assistance related to leasing or purchasing replacement housing, explanation of the relocation assistance alternatives available, referral to any available affordable housing resources, assistance in making moving arrangements to move personal property and belongings, and transportation of residents who are unable to drive to housing alternatives."

Chinese, Spanish, and Vietnamese translators will be provided, as needed, to meet with residents and Debbie Martinez to assist residents one-on-one in those discussions.

SECTION 7: SELECTION OF APPRAISER

The Ordinance requires the Applicant to select an appraiser to appraise the mobilehomes. The appraiser must be selected from a list provided by the Director of Community Development. The Applicant has selected David Beccaria of Lifeline Real Estate. A summary of Mr. Beccaria's qualifications as an appraiser of mobilehomes is attached as Appendix 6.

SECTION 8: CHRONOLOGY OF CONVERSION PROCESS

The following is a brief chronology of events beginning with the acquisition of the Park by the Applicant and the subsequent issuance of the Notice of Intention to close the park and convert it to a different use, and the process that has followed to date:

January 28, 2016: A Planning Division Application Form was filed by East Dunne Investors LLC for a Closure Impact Report Review of Blue Bonnet Mobilehome Park. See Appendix 1.

February 2016: The Applicant, East Dunne Investors LLC selected Dave Richman of Autotemp, Inc. as the Housing Relocation Specialist to assist residents during the park closure process. The Applicant's choice was approved by the City of Sunnyvale.

February 10, 2016: Letter from Trudi Ryan, Director, Community Development Department to the residents of Blue Bonnet Mobilehome Park advising the residents that the Park Owner, Sue Chuang, submitted an application to the City for review of a Conversion Impact Report (CIR). See Appendix 2.

February 10, 2016: Letter from Park Owner regarding notice of intention to close the Park and convert it to a different use was mailed to all households. A letter containing a correction was mailed the same day. The letter informed them of two resident meetings to be held on February 17, 2016 from 3:00-4:30pm and from 5:00-6:30pm at the Domain Hotel in Sunnyvale. Copies of the English, Spanish, and Vietnamese versions of this correspondence can be found in Appendix 3.

February 17, 2016: Two Meetings were held with residents and tenants of Blue Bonnet at the Domain Hotel in Sunnyvale. The first meeting was held from 3:00 p.m. to 4:30 p.m. and the second meeting was held from 5:00 p.m. to 6:30 p.m. Present on behalf of the City of Sunnyvale was Suzanne Ise, Housing Officer; present on behalf of the Applicant were, Margaret Ecker Nanda, Attorney at Law and Sonya Welch, Attorney at Law. David Richman, of Autotemp, Inc.; the Housing Relocation Specialist, and his colleague, Debbie Martinez, and Josh Vrotsos on behalf of East Dunne Investors. Discussion included remarks by Margaret Nanda about the closure process, the provisions of the Sunnyvale conversion ordinance and a proposed timeline for the conversion process. Suzanne Ise also offered remarks about the closure process. All persons who attended the meeting were asked to sign the sign-in sheet to provide their names and contact information. For purposes of confidentiality the sign-in sheets will not be attached to this CIR, but a sample form can be found in Appendix 7. Representatives from 49 households signed the sign-in sheets. An agenda and all attached materials were also available in Spanish and Vietnamese. The SMC was provided in English, Spanish, Vietnamese and Chinese. Spanish and Vietnamese translation was provided at the meeting for those residents who requested translation of the speakers' remarks. A copy of the agenda and all attached materials can be found at Appendix 8.

February through June 2016: Debbie Martinez of Autotemp, Inc. conducted household interviews in their homes. As of the date of the filing of the Conversion Impact Report, Debbie Martinez interviewed 46 of the currently occupied 50 households³ in the Park. The remaining four households did not participate in the interviews despite Debbie Martinez's phone calls. She also left notes at their home and attempted to find them at home. A blank form used by Debbie Martinez in the interviews is attached as Appendix 9.

³ Blue Bonnet has 54 mobilehome spaces, and of those, 50 spaces are currently occupied. The other 4 spaces are vacant, meaning there is either no home located on the space, or the mobilehome on the space is unoccupied.

May 11, 2016: The Notice period expired for a designated resident organization to exercise the right to negotiate purchase of the Park by providing a written notice of interest to the Park Owner within 90 days of the postmark date of the notice of intention to convert the Park. A resident organization did not provide such written notice to the Park Owner.

April 2016: The Applicant selected David Beccaria of Lifeline Real Estate as its appraiser to determine the in-place value of the resident's mobilehomes.⁴ Suzanne Ise, on behalf of the City of Sunnyvale was notified and approved of the Applicant's choice of appraiser.

May/June 2016: A flyer, in English and Spanish, was posted at the Park advising the Park residents that appraisals of their homes would begin soon. See Appendix 10. All mobilehome owners were advised that Lifeline Real Estate would be conducting physical inspections of their homes for the purpose of preparing an appraisal of their homes. Mobilehome owners were requested to sign up for a time and date for their home to be inspected. The form that Lifeline Real Estate sent to the mobilehome owners is attached as Appendix 11.

June 25, 2016 to July 2, 2016: David Beccaria and his associate appraisers conducted physical inspections of all mobilehome owners' homes.⁵

June - August 2016: The Applicant consulted with the City staff for guidance on the required formats and contents of the CIR and prepared the draft CIR per the City's guidance.

August 2016: The Applicant received copies of the appraisals prepared by Lifeline Real Estate, which will be copied and served on the corresponding homeowners at the same time they are served with a copy of the CIR, as detailed below.

⁴ See SMC Section 19.72.080(d)(2)(D), "The applicant shall hire a mobilehome appraiser from a list provided by the director to determine the in-place value of the mobilehome at 100% of its in-place value."

⁵ Of the 29 resident owned homes, 2 homeowners never responded to Mr. Beccaria and thus an appraisal of the home was accomplished after an exterior inspection of the home. In addition another 3 homeowners would not allow access to the interiors of their homes. In any home in which Mr. Beccaria could not inspect the interior of the home, he assumed the interior was "average" for purposes of the appraisal. Identification of these specific units can be provided to the City if requested.

SECTION 9: ANTICIPATED TIMELINE FOR COMPLETION OF CONVERSION PROCESS

The following is an anticipated timeline for the process of conversion of the Park. This section of the CIR is intended to fulfill the requirements of SMC Section 19.72.090(f)(3) which requires that the CIR contain, “A timetable for implementing the physical relocation of mobilehomes, implementation of relocation assistance, and conversion of the park;...”

September 2016: The Applicant submits the final CIR to the City and delivers a copy of the CIR (including a Spanish translation of the CIR) to all mobilehome owners, tenants and subtenants, a copy of the appraisal of each home to every mobilehome owner, a letter detailing the estimated relocation assistance to be given to that particular homeowner, tenant or subtenant, and a notice of an informational meeting to be held on October 13, 2016 to discuss the CIR. The letters to each homeowner, tenant or subtenant will be translated into Chinese, Spanish, and Vietnamese as applicable based on residents’ self-reported primary language (as collected by Debbie Martinez). The notice of informational meeting will also be translated into Chinese, Spanish, and Vietnamese.

October 13, 2016: A meeting for Park residents will be held at the Domain Hotel located at 1085 E. El Camino Real, Sunnyvale, CA 94087 at 6:30 p.m. Pursuant to SMC Section 19.72.100(c), “The meeting shall discuss the proposed timing of resident relocation, relocation assistance available, the contents of the CIR, and the status [of] any development application. The relocation specialist and director’s designee shall be present at the informational meeting.” The notice of the meeting will be translated into Chinese, Spanish, and Vietnamese. The meeting will also be simultaneously translated for Chinese, Spanish, and Vietnamese speakers.

November 16, 2016: A hearing will be held before the Sunnyvale Housing and Human Services Commission to make a recommendation to the City Council to “approve or conditionally approve the CIR based on the required findings.”⁶ The meeting will be simultaneously translated for Chinese, Spanish, and Vietnamese speakers.

January 24, 2017: The Sunnyvale City Council will conduct a public hearing and approve or conditionally approve the CIR based on the required findings:

“(1) Preparation, notice and distribution of the CIR has been done in compliance with this chapter; and

⁶ See SMC Section 19.72.130(c).

(2) 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.”⁷

The meeting will be simultaneously translated for Chinese, Spanish, and Vietnamese speakers.

Immediately following approval of the CIR: The relocation specialist will begin meeting with and working with all Park mobilehome owners, tenants and subtenants to find alternative housing and to implement the relocation assistance set forth in the CIR.

Following approval of the CIR: The Applicant will serve each mobilehome owner, tenant and subtenant with a six month (180 day) Notice of Termination of Tenancy pursuant to Civil Code Section 798.56(g), a provision of the California Mobile home Residency Law.

Within 120 days of CIR approval: Pursuant to SMC Section 19.72.140(b) within 120 days of CIR approval, eligible mobilehome owners, tenants and subtenants shall select the type of relocation assistance available per the CIR and confirm the selection with the Relocation Specialist. If a selection is not submitted, the relocation specialist may determine the appropriate relocation assistance based on the CIR.

Within 180 days of CIR approval: Pursuant to SMC Section 19.72.140(c) within 180 days of CIR approval, any mobilehome appraisals shall be completed and any estimates for mobilehome relocation shall be obtained.

Within 35 days before the expiration of the Notice of Termination of Tenancy: Pursuant to SMC Section 19.72.140(e), the Applicant shall pay all required monetary relocation assistance to eligible residents and mobilehome owners at least 35 days before the expiration of the period stated in the notice of termination of tenancy.

February to August 2017: The physical relocation of mobilehomes, if any, will occur at the request of the homeowner but could occur at any time after approval of the CIR to the expiration of 6 month Notice of Termination of Tenancy period.

September 2017: Closure and conversion of Blue Bonnet.

⁷ *Id.*

SECTION 10: DESCRIPTION OF PROPOSED NEW USE FOR THE SITE

A. CURRENT AND ADJACENT PROPERTY LAND USES:

Blue Bonnet Mobile Home Park is located at 617 East Evelyn Avenue. The property is approximately 3.40 acres in size and consists of rectangular shaped parcel of land on the north side of Evelyn Avenue, east of South Fair Oaks Avenue and west of South Britton Avenue. The zoning designation for the site is R3-PD (Medium Density Residential-Planned Developed Combining District) and the General Land Use Designation is Residential Medium Density. The current zoning allows for up to 24 dwelling unit per acres (du/acre). Adjacent to the north is a residential development. Across Evelyn Avenue to the south is a residential development. DR Horton is redeveloping approximately 10 acres on South Britton Avenue to the east.

B. PROJECT OVERVIEW:

No formal development application has been submitted by the owner or East Dunne Investors LLC. The applicant received comments from the Preliminary Review Committee (PRRC) on July 29, 2015 on the feasibility of a for sale housing project.

C. RIGHT OF FIRST REFUSAL FOR RESIDENTS:

Per SMC Section 19.72.080, subsection (2) (E) the mobilehome owners and the renters of Park owned mobilehomes will be given,

“(E) **Right of First Refusal for Residents.** For all eligible residents, relocation assistance shall include the right of first refusal to purchase or rent homes or apartments to be constructed on the park site. Income-eligible residents may have first priority to purchase or rent any below market rate (BMR) units which may be constructed on the park site, if they meet all eligibility requirements for the BMR housing program. In order to receive priority for BMR units, interested residents shall file a request with the housing division before vacating the park.”

In its description of the proposed project, set forth in Section 10, Description of Proposed New Use for the Site, the Applicant has stated that it intends to meet the requirements of the Conversion Ordinance with respect to offering BMR units to the residents and tenants at Blue Bonnet. Specifically, approximately 12.5% of the new units constructed will be available to be occupied by any Park residents who meet the Below Market Rate housing program criteria and also file a request with the housing division before vacating the Park. The City will provide Autotemp with a form for Park residents to complete if they are interested in this right of first refusal.

SECTION 11: CHARACTERISTICS OF MOBILEHOMES IN THE PARK

SMC Section 19.72.090 requires that the CIR contain information to adequately define and address the social and economic impacts of a proposed conversion or park closure on displaced residents and mobilehome owners. Subsection (a)(1) further provides that the date of manufacture, type, width, size, number of bedrooms of each mobilehome or other dwelling, and any accessibility improvements such as wheelchair ramps, lifts and grab bars, listed by space number must be included in the CIR. This section of the CIR addresses that requirement.

The first standard for construction of residential trailers in California did not become effective until September 1, 1958. Over the years, standards were improved and, by the mid-1960s, the industry started to refer to its product as “mobilehomes” instead of “trailers.” In 1974, Congress passed the Mobilehome Construction and Safety Standards Act, authorizing the U.S. Department of Housing and Urban Development to establish and enforce a national code for mobilehome construction.

On June 15, 1976, the Department of Housing and Urban Development (“HUD”) implemented its new standards for manufactured home construction, commonly referred to as the “HUD Code.” By establishing a single standard, a manufacturer was assured that the electrical system of a manufactured home built in California would also meet the requirements of any other state to which it was shipped.

Perhaps most importantly, the HUD Code’s assurance of safety and durability of manufactured homes provided a basis for extending federal loans to purchase them. Financing is frequently not available for mobilehomes built before the HUD Code became effective; if it is available, down payments and interest rates are higher.

Units manufactured in the 1950s and 1960s are considered to be “older trailers and mobilehomes.” Mobilehomes built in the 1970s, before the HUD Code became the standard, are “pre-HUD Code mobilehomes.” Manufactured homes built to the federal standard, are “HUD Code Manufactured Homes.”

Blue Bonnet is a Park that contains mobilehomes. As of July 26, 2016 there were 50 occupied mobilehomes situated in the Park. Manufactured homes, mobilehomes, commercial coaches, truck campers or floating homes are required to be registered with the California Department of Housing and Community Development,⁸ and are on the personal property tax rolls of the counties in which they are located. Manufactured and

⁸ California Health and Safety Code Section 18085.

mobilehomes can be moved, although older homes are often not capable of withstanding the move. Standards for acceptance of mobilehomes at other area parks vary widely. Some parks will not accept a mobilehome older than 10 years old. Some parks will make exceptions based upon the appearance of the unit, despite its age.

Information about the Park homes was acquired by the Housing Relocation Specialist, Debbie Martinez from those households who responded to her requests for an interview. Table 1, below, provides a list of this information. SMC Section 19.72.090(a) (1) requires the CIR to include information about any accessibility improvements. A column appears in Table 1 below labeled "Improvements." Where there was no response from the household, the management agent for the Park and Ms. Martinez simply measured the home. Due to the age of the units not all of the trade names of the units were available. Further, due to the age and condition of the units, it is the opinion of the relocation specialist and the authors of the report, that five units could possibly be relocated to other parks.

As to the number of bedrooms listed for each home, the number reflects the number of bedrooms as reported by each household during his/her interview with the Housing Relocation Specialist. The number of bedrooms in each home will be verified by the appraiser during the physical inspection and therefore, may not be as reflected in Table 1, Home Characteristics. The manufacturing standards for mobilehomes are governed by the Code of Federal Regulations, Title 24, Housing and Urban Development. HUD Section 3280.106 lists the requirements for rooms designed for sleeping purposes:

- (b) Rooms designed for sleeping purposes shall have a minimum of gross foot floor area as follows:
 - (1) All bedrooms shall have at least 50 sq. ft. of floor area
 - (2) Bedroom designed for two or more people shall have 70 square foot floor area plus 50 sq. ft. for each person in excess of two.
 - (c) Every room designed for sleeping purposes shall have accessible clothes hanging space with a minimum inside depth of 22 inches and shall be equipped with a rod and shelf.
- Further, such rooms must contain either an exit door or at least one outside window.

TABLE 1: HOME CHARACTERISTICS⁹

SPACE NUMBER	BED / BATH	W/L ¹⁰	TYPE ¹¹	TRADE NAME	YEAR	IMPROVE- MENTS?	CAN IT BE MOVED?
1 Vacant ¹²	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2 **	1/1	44 x 14	MH	Bayshore Homes	1987	No	No
3	1/1	44 x 10 44 x 17 (conv.)	MH	Unknown	1967	Yes	No
4 Vacant	N/A	N/A	N/A	N/A	N/A	N/A	N/A
5	1/1	Unknown	MH	Unknown	1983	No	No
6	1/1	Unknown	MH	Unknown	2001	No	Yes
7	Unknown	Unknown	MH	Unknown	Unknown	No	No
8 **	1/1	48 x 12	MH	Manatee	1974	No	No
9 Vacant **	Unknown	47 x 10	MH	Lakewood	1965	No	No
10	2/1	Unknown	MH	Unknown	Unknown	No	No
11	1/1	47 x 10	MH	Unknown	1995	No	No
12	2/1	47 x 10	MH	Unknown	1960	No	No
13	2/1	48 x 14	MH	Unknown	1991	No	Yes
14 **	1.5/1	47 x 10	MH	Skyline	1958	No	No
15 **	1/1	50 x 12	MH	Festival	1972	No	No
16 **	1/1	44 x 14	MH	Bayshore	1982	No	No
17	2/1	49 x 16	MH	Unknown	2002	No	No
18 **	Unknown	48 x 12	MH	Signature	1972	No	No
19	2/1	Unknown	MH	Unknown	1982	No	No
20 **	1/1	46 x 12	MH	Champion	1971	No	No
21 **	1/1	50 x 10	MH	Nashua	1964	No	No
22 **	2/1	49 x 10	MH	Great Lakes	1961	No	No
23 **	2/1	48 x 13.10	MH	Sahara	1985	No	No
24 **	1/1	50 x 12	MH	Townhouse	1969	No	No
25 **	2/1	42 x 10	MH	Paramount	1961	No	No
26	1/1	Unknown	MH	Unknown	1960	No	No

⁹ Data Current as of June 28, 2016¹⁰ Width and length of units¹¹ MH is an abbreviation for “mobilehome.”¹² ** denotes that the home located in the space is owned by the Park Owner and is rented to the tenant who occupies it.

SPACE NUMBER	BED / BATH	W/L ¹⁰	TYPE ¹¹	TRADE NAME	YEAR	IMPROVE- MENTS?	CAN IT BE MOVED?
27 Vacant **	1/1	50 x 12	MH	Champion	1969	No	No
28 **	1/1	52 x 12	MH	Champion	1968	No	No
29	1/1	48 x 12	MH	Unknown	1974	No	No
30	1/1	50 x 10	MH	Unknown	1965	No	No
31	2/1	Unknown	MH	Unknown	1969	No	No
32	2/1	45 x 20	MH	Unknown	1967	No	No
33	2/1	40 x 16	MH	Unknown	1981	No	No
34	1/1	45 x 10	MH	Unknown	1962	No	No
35 **	Unknown	Unknown	MH	Unknown	Unknown	No	No
36 **	1/1	44 x 12	MH	Pilgrim	1964	No	No
37 **	1/1	50 x 10	MH	Paramount	1959	No	No
38	2/1	Unknown	MH	Unknown	1964	No	No
39	1/1	Unknown	MH	Unknown	1984	No	No
40	1/1	40 x 14	MH	Unknown	2002	No	Yes
41	Unknown	Unknown	MH	Unknown	Unknown	No	No
42 **	1/1	48 x 10	MH	Roadliner	1967	No	No
43	2/1	Unknown	MH	Unknown	1985	No	No
44 **	1/1	40 x 13.10	MH	Bainbridge	1983	No	No
45	2/1	46 x 13.5	MH	Unknown	2000	No	Yes
46 **	Unknown	49 x 10	MH	Great Lakes	1964	No	No
47	1/1	47 x 14	MH	Unknown	1986	No	No
48	2/2	40 x 20	MH	Unknown	1977	No	No
49	2/1	44 x 20	MH	Unknown	1974	No	No
50 Vacant ¹³	N/A	N/A	N/A	N/A	N/A	N/A	N/A
51	1/1	39 x 10	MH		1965	No	No
52	2/1	40 x 20	MH	Unknown	1966	Yes- Conv. 3/1	No
53	Unknown	Unknown	MH	Unknown	Unknown	No	No
54 **	2/1	40 x 10	MH	Star	1970	No	No
55 **	3/2	55.8 x 12 53.4 x 12 46.0 x 12	MH	Silvercrest	2002	No	Yes

¹³ There is no space numbered 50 at the Park, for unknown reasons.

SECTION 12: RESIDENT CHARACTERISTICS

A. RESIDENTS, TENANTS, SUB-TENANTS AND MOBILE HOME OWNER:

There are 3 categories of residency in the Park and a 4th category of owners who do not reside at the Park and sublease their homes to subtenants.

1. Resident Homeowner: The SMC defines a “resident” as a person who owns the mobilehome and occupies the mobilehome at Blue Bonnet pursuant to the terms of a written rental agreement. See SMC Section 19.72.020(m). To clarify use of the term, this CIR uses the term “Homeowner” or “Resident Homeowner” to distinguish from “Absentee Mobilehome Owner.”

2. Tenant: Pursuant to the Ordinance, a tenant is a person who rents a mobilehome in the Park under a “bona fide lease or agreement” and is not the mobilehome owner. See SMC Section 19.72.020(o). Using the legal definition of “tenant,” there are 26 tenants in the Park. Of those 26, 23 tenants rent their homes from the Park Owner pursuant to written rental agreements and 3 tenants rent their homes from a mobilehome owner, as discussed in paragraph 3 below. In this CIR, tenants are also referred to as “renters.”

3. Sub-Tenant: For purposes of this CIR, a sub-tenant is a person who rents a mobilehome in the Park from a *party other than the Park Owner*. All mobilehome owners have rental agreements with the Park Owner for the rental of the spaces on which the homes are located. In the case of 3 mobilehome owners, however, they rent the spaces that their homes are located on from the Park Owner and also rent the homes out to third parties. The determination of whether a bona fide lease agreement exists for these three homes has not yet been made. These third party occupants are the mobilehome owners’ tenants, not the Park Owner’s tenants. Thus, they are identified herein as “sub-tenants.” The households at spaces 6, 7 and 34 are sub-tenants.

4. Absentee Mobilehome owner: The SMC defines a “mobilehome owner” as the registered owner of a mobilehome who has the right to use a mobilehome space in a park. See SMC Section 19.72.020(h). By contrast, the definition of “residents” at subsection m of SMC Section 19.72.020 includes all of the owners of the homes at the park who live in the homes. This CIR uses the term Absentee mobilehome owner (“AMO”) for parties who own their mobilehomes but do not reside in the Park; rather, they rent their mobilehome to a Sub-Tenant. The owners of the homes at spaces 6, 7 and 34 are “Absentee mobilehome owners” as used herein.

B. NAMES AND OTHER CONFIDENTIAL INFORMATION:

The CIR, when filed with the City, is a public document. To protect the privacy of the mobilehome owners, tenants and subtenants of the Park, the CIR does not include

personal information, such as names, and addresses of their homes. Such confidential information will be made available for review by the City of Sunnyvale in a separate document entitled “Confidential Resident Information for the Residents and Tenants of Blue Bonnet Mobile Home Park – Submitted with the Conversion Impact Report for Blue Bonnet Mobile Home Park, City of Sunnyvale.” SMC Section 19.72.090.

SMC Section 19.72.090(a)(2) of the Conversion Ordinance provides that the CIR must include:

(2) **Residents.** Number of occupants in each home, household type (senior, disabled, low income, individual, family with minor children, or other) and type of occupancy (mobilehome owner, tenant or other).

The Housing Relocation Specialist reached out to all households to obtain this information for each household. However, despite repeated and numerous requests by the Relocation Specialist, not every household responded. Table 2 provides an overview of the information she obtained. Table 2 reflects that there are approximately 26 minors, 17 seniors, and 89 total adults living at the Park. The space numbers and names of the residents have been omitted from Table 2. The household number does not correspond to the space number. The Relocation Specialist conducted a total of 47 interviews, but one of those households subsequently vacated the Park. Thus, the table reflects the data which includes the remaining 46 households in the Park that participated in interviews.

TABLE 2A: SUMMARY OF HOUSEHOLDS INTERVIEWED BY RELOCATION SPECIALIST¹⁴

Household ¹⁵	Homeowner ¹⁶ , Renter or Sub- tenant	No. of Adults	No. of Minors ¹⁷	No. of Disabled	No. of Seniors ¹⁸	Total No. of Household Members
1	Renter	2	0	0	0	2
2	Homeowner	1	0	1	0	1
3	Homeowner	1	0	1	1	1
4	Subtenant	1	0	0	0	1
5	Renter	3	1	0	1	4

¹⁴ Data current as of July 26, 2016.

¹⁵ Household numbers in above table *do not correlate* to park space numbers.

¹⁶ For brevity, the table uses the term Homeowner in place of Resident Homeowner.

¹⁷ “Minor” means a person under the age of 18.

¹⁸ “Senior” means a person age 62 or over.

Household ¹⁵	Homeowner ¹⁶ , Renter or Sub- tenant	No. of Adults	No. of Minors ¹⁷	No. of Disabled	No. of Seniors ¹⁸	Total No. of Household Members
6	Homeowner	5	1	0	1	6
7	Homeowner	2	0	0	1	2
8	Homeowner	2	2	0	0	4
9	Homeowner	2	0	0	0	2
10	Renter	2	3	0	0	5
11	Renter	2	1	0	0	3
12	Renter	1	0	1	1	1
13	Homeowner	3	3	0	1	6
14	Homeowner	1	0	0	0	1
15	Renter	1	0	0	0	1
16	Renter	1	1	0	0	2
17	Renter	2	3	0	0	5
18	Renter	4	0	0	0	4
19	Renter	2	0	0	1	2
20	Renter	2	3	1	0	5
21	Homeowner	2	0	1	2	2
22	Renter	2	1	0	0	3
23	Homeowner	1	0	0	0	1
24	Homeowner	1	0	0	0	1
25	Homeowner	3	2	0	1	5
26	Homeowner	2	0	1	1	2
27	Homeowner	3	0	0	1	3
28	Subtenant	2	1	0	0	3
29	Renter	1	0	0	0	1
30	Renter	1	0	0	0	1
31	Renter	1	0	0	0	1
32	Homeowner	2	0	1	0	2
33	Homeowner	2	0	1	0	2
34	Homeowner	2	0	0	0	2
35	Homeowner	2	1	0	0	3
36	Homeowner	3	0	0	0	3
37	Renter	2	0	1	0	2
38	Homeowner	1	0	0	0	1
39	Renter	2	0	0	0	2
40	Homeowner	1	0	0	1	1

Household ¹⁵	Homeowner ¹⁶ , Renter or Sub- tenant	No. of Adults	No. of Minors ¹⁷	No. of Disabled	No. of Seniors ¹⁸	Total No. of Household Members
41	Homeowner	3	0	0	1	3
42	Homeowner	2	0	1	2	2
43	Homeowner	1	0	1	1	1
44	Homeowner	2	3	0	0	5
45	Renter	3	0	0	0	3
46	Renter	2	0	0	0	2

TABLE 2B: HOUSEHOLDS

SUMMARY OF TABLE 2A	TOTAL
Total households (spaces occupied) in the Park	50
Total households interviewed by Relocation Specialist	46
Resident Homeowner	25
Tenants	19
Subtenants	2
Total occupants of households interviewed by Relocation Specialist ¹⁹	115
Adults living in the Park	89
Seniors living in the Park	17
Minors living in the Park	26
Disabled Persons living in the Park	10
Total households not interviewed by Relocation Specialist	4
Resident Homeowners	1
Tenants	2
Subtenants	1

Income level information was obtained from each household interviewed by the Relocation Specialist. Three households refused to be interviewed. Income level information given to the Relocation Specialist was used in combination with household size to evaluate each household's income level according to the California Department

¹⁹ "Adults" includes seniors. The total number of adults, seniors, minors, and disabled persons in the Park reflects only the data obtained by the Housing Relocation Consultant in the 46 relevant household interviews. It is unknown how many people comprise the remaining 4 households and whether any of those persons fall into the categories of minors, seniors or disabled persons.

of Housing and Community Development standards.²⁰ Income level information as reported by the 46 households above *has not yet been verified* by the Relocation Specialist.

TABLE 3: INCOME LEVELS.²¹

Non-low income households	3
Low income households	40
Very low income households	12
Extremely low income households	12
Unknown/refused to answer	3

SECTION 13: ELIGIBILITY FOR MITIGATION ASSISTANCE

Eligibility for relocation assistance to mitigate any adverse impacts of a mobilehome park conversion on displaced residents and mobilehome owners is determined by the Sunnyvale Conversion Ordinance. Per the Conversion Ordinance, SMC Section 19.72.080(b):

Eligibility for Relocation Assistance. Mobile home owners²² and residents²³ are entitled to relocation assistance if they have not given notice to terminate their lease as of the date of the following, whichever occurs first:

- (1) Initiation of a general plan amendment;
- (2) CIR filing; or
- (3) Determination that the Park is undergoing conversion due to reduced occupancy (which does not apply here).

No mobilehome owners have vacated the Park since the notification on February 10, 2016 by the Park Owner that she intends to close the Park and convert it to a different use. One tenant who rented from the Park vacated in June 2016 due to the expiration of

²⁰ See Department of Housing and Community Development State Income limits for 2016 also attached as Appendix 12.

²¹ Information current as of July 26, 2016 and has not been income verified.

²² Under SMC Section 19.72.020(h) a “mobilehome owner” is defined as “the registered owner of a mobilehome, regardless of the number of such owners or the form of ownership, and who has the right to use a mobilehome space in a park.”

²³ Under SMC Section 19.72.020(m) a “resident” is defined as, “a mobilehome owner who lives in the park or tenant.” Furthermore, subsection (o) defines a “tenant” as, “a person who lives in a mobilehome or other dwelling within a park under a bona fide lease or agreement and who is not a mobilehome owner.”

a fixed term tenancy. As of the date of the filing of the CIR another tenant who rents from the Park is in the process of being evicted from the Park for non-payment of rent. There are fifty (50) occupied units at the Park as of September 1, 2016.

A. WAIVER OF RELOCATION ASSISTANCE:

Pursuant to SMC Section 19.72.080(c), a waiver of relocation assistance can be valid if it is between a park owner and a tenant of a home owned by the park owner. Subsection (c) provides in pertinent part:

“The waiver shall contain the text of this section and a written acknowledgement by the tenant understanding the relocation assistance rights under this chapter and agreeing to waive them.”

There are at least seven tenants who are parties to rental agreements with the Park Owner who signed Waivers of Relocation Assistance with the Park Owner at the time they entered into their rental agreements with the Park. The Waiver of Relocation Assistance form is attached hereto as Appendix 13. Despite the waiver, the Applicant proposes to pay these tenants who have waived relocation assistance a lump sum of \$7,500 to assist them with making their first and last month’s rent and security deposit at their new home, as well as moving costs. This is the only relocation assistance these tenants will receive. These tenants are not eligible for the relocation assistance described in Section 17 of this CIR.

B. DATA CONCERNING CURRENT RESIDENTS, TENANTS AND SUB-TENANTS AT THE PARK:

Table 4, below contains information regarding current tenants of the Park and whether their Park file contains a signed rental agreement or lease agreement with the Park. See Appendix 14 for sample rental and lease agreement. In some cases, the Park owns the mobilehome and rents the mobilehome to a tenant. In those cases, the chart below reflects “Park Owned” and the length of the tenancy. In most cases, residents initially had one-year leases with the Park, at the end of which their tenancies became month-to-month tenancies. Any lease terms which expire during the period from the initiation of the conversion process, January 28, 2016 through the date of closure of the Park will be construed to be month to month tenancies continuing on the same terms and conditions.

TABLE 4: LIST OF CURRENT TENANTS AND LEASE INFORMATION²⁴

Space #	Lease terms
1	<i>Vacant</i>
2	Park Owned: Fixed term ending 1/15/2017
3	Month-to-Month
4	<i>Vacant</i>
5	Month-to-Month
6	Absentee Homeowner has Month-to-Month tenancy with Park owner for the space rental; the mobilehome is sub-let to a Sub-Tenant
7	Absentee Homeowner has Month-to-Month tenancy with Park owner for the space rental; the mobilehome is sub-let to a Sub-Tenant
8	Park Owned: Month-to-Month
9	<i>Park Owned: Vacant</i>
10	Month-to-Month
11	Month-to-Month
12	Month-to-Month
13	Month-to-Month
14	Park Owned: Month-to-Month
15	Park Owned: Month-to-Month
16	Park Owned: Month-to-Month
17	Month-to-Month
18	Park Owned: Month-to-Month
19	Month-to-Month
20	Park Owned: Month-to-Month
21	Park Owned: Month-to-Month
22	Park Owned: Month-to-Month. Note eviction pending
23	Park Owned: Month-to-Month
24	Park Owned: Month-to-Month
25	Park Owned: Month-to-Month
26	Month-to-Month
27	<i>Park Owned: Vacant</i>
28	Park Owned: Fixed term ending 8/5/2016
29	Month-to-Month
30	Month-to-Month
31	Month-to-Month

²⁴ Current as of June 21, 2016

Space #	Lease terms
32	Month-to-Month
33	Fixed term ending 9/2/2016
34	Absentee Homeowner has Month-to-Month tenancy with Park owner; unit is sub-let
35	Park Owned: Month-to-Month
36	Park Owned: Fixed term ending 8/5/2016
37	Park Owned: Month-to-Month
38	Month-to-Month
39	Month-to-Month
40	Month-to-Month
41	Month-to-Month
42	Park Owned: Fixed term ending 1/27/2017
43	Month-to-Month
44	Park Owned: Month-to-Month
45	Month-to-Month
46	Park Owned: Month-to-Month
47	Month-to-Month
48	Month-to-Month
49	Month-to-Month
50	<i>Vacant (there is no space numbered 50)</i>
51	Month-to-Month
52	Month-to-Month
53	Month-to-Month
54	Park Owned: Month-to-Month
55	Park Owned: Month-to-Month

SECTION 14: CONFIDENTIAL RESIDENT SECTION, TO BE SUBMITTED SEPARATELY

This section conforms to SMC Section 19.72.090(b) of the Conversion Ordinance, which provides:

Confidential Resident Information. A list containing additional information shall be submitted separately from the CIR. Because of the confidential content of this list, the director 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 issued pursuant to the California Public Records Act (Government Code Sections 6250, *et seq.*). The list shall contain the following:

- (1) **Personal Information.** Names, addresses, and contact information of mobilehome owners and residents.
- (2) **Occupancy.** Length of occupancy, current monthly rent and lease terms, and whether each person is a mobilehome owner that does not live in the park, a tenant, or person living in housing other than a mobilehome.²⁵
- (3) **Relocated Residents.** New addresses for residents who have already relocated, if available

In accordance therewith, a Confidential Resident Information for the Residents and Tenants of Blue Bonnet (hereinafter “Confidential Report”) pertaining to each resident pursuant to SMC Section 19.72.090(b) will be submitted with this CIR.

Additionally, Autotemp’s survey of the residents, which provides the confidential information obtained from the residents used as the basis for this report, will be attached to the Confidential Report as Appendix 15.

SECTION 15: RELOCATION AND VACANT SPACES WITHIN DESIRED LOCATIONS

As is reflected in Table 1, Blue Bonnet is a Park that contains mobilehomes. After canvassing the units at Blue Bonnet, it was established that five units could potentially be relocated to another park because of the age and condition of the units relative to standards of other parks. Mobile home parks will generally not accept homes into their parks that are more than ten (10) years old or are in poor condition.

SMC Section 19.72.090(c) specifies:

Vacant Spaces in Desired Locations. A list of vacant spaces in parks within 20 miles of the park, and in any other location within California desired by mobilehome owners. The list shall include the park name, address, number of vacancies, lease rates, the terms, policies and restriction on the type of mobilehomes, and residents accepted, amenities offered, and proximity to services such as public transportation, schools, medical services, social and religious services, and grocery stores.

²⁵ See also, Table 2, in Section 12, “Resident Characteristics” for a list of who is a tenant or owner of a mobilehome.

The owners of the twenty four owner occupied units at Blue Bonnet reported to the Relocation Specialist that they preferred to relocate to Sunnyvale, Mountain View, Campbell and Fremont. Therefore, mobilehome parks located in Sunnyvale, Santa Clara, San Jose and Mountain View were canvassed for available spaces.

As of June 24, 2016, of the forty-two parks that were canvassed, there were ten possible spaces available for either single wide or double wide mobilehomes at seven parks.

Lamplighter San Jose: Lamplighter San Jose is located at 4201 North 1st Street in San Jose. It had two vacancies for a single wide and one vacancy for a double wide mobilehome. Lamplighter is approximately two miles from public transportation, five miles to medical facilities, and half a mile to a grocery store. The spaces lease for \$2,000 per month.

Cape Cod Village Mobilehome Community: Cape Cod Village is located at 1050 Borregas Avenue in Sunnyvale. There are 0 empty spaces for incoming mobilehomes but there are existing mobilehomes available for lease. The existing homes at Cape Cod Village lease from \$850-\$1,200 per month. Cape Cod Village is a community for seniors 55 and older. Cape Cod Village is located approximately three miles from medical facilities, one mile from public transportation, and three miles from a local shopping center.

Old Orchard Mobilehome Community: Old Orchard is a mobilehome park for all ages located at 2135 Little Orchard Street in San Jose. Old Orchard does not have any current spaces available but they will be leasing brand new single-wide and double-wide mobilehomes which are coming soon. The incoming mobilehomes will be leased at the current market rate upon arrival. Old Orchard is located approximately one mile from medical facilities, two miles from public transportation, and two miles to a grocery store.

Rancho La Mesa Mobilehome Park: Rancho La Mesa is an all age mobilehome park located at 1201 Sycamore Terrace in Sunnyvale. There are two vacancies that lease at \$2,145 per month. Rancho La Mesa is located approximately half a mile from medical facilities, quarter of a mile from public transportation, and quarter of a mile from a grocery store.

Sahara Mobile Village: Sahara Mobile Village is an all age mobilehome park located at 191 E El Camino Real in Mountain View, CA. Sahara Mobile Village has two spaces available for lease; a single-wide vacant mobilehome space leasing at \$2,050 per month, and a double-wide vacant mobilehome space leasing at \$2,495 per month. Sahara

Mobile Village is located approximately one quarter of a mile from medical facilities, one quarter of a mile from public transportation and one quarter of a mile from a grocery store.

Sunset Estates Mobile Home Park: Sunset Estates is a seniors only mobilehome park that is located at 1350 Oakland Road in Mountain View. There is one available space leasing for \$1,190 per month. Sunset Estates Mobile Home Park is located approximately five miles from medical facilities, two miles from public transportation and two and a half miles to a grocery store.

Willow Glen Mobile Estates: Willow Glen is an all age mobilehome park located at 1850 Evans Lane in San Jose. There are two available spaces that lease for \$750-\$850 per month. Willow Glen Mobile Estates is located approximately seven miles from medical facilities, two and a half miles from public transportation, and one mile to a grocery store.

SECTION 16: HOUSING ALTERNATIVES

The Sunnyvale Conversion Ordinance details housing alternatives for residents who cannot be relocated to a comparable park within 20 miles. SMC Section 19.72.090(d) provides:

(d) **Housing Alternatives.** Availability and cost of renting or purchasing comparable housing in the City or any other locations desired by residents who cannot be relocated to a comparable park within 20 miles.

In this case, due to the age of the units at Blue Bonnet, the majority of residents will have to obtain alternative housing. The locations desired by residents included Fremont and other cities within Santa Clara County (Sunnyvale, Mountain View and Campbell). This information was obtained by the Relocation Specialist.

Due to the residents' geographic preference, the Applicant obtained information from HUD regarding fair market rents within those areas. The HUD-Approved fiscal year 2017 Fair Market Rents for Santa Clara County are: \$1,507 for a studio, \$1,773 for a 1-bedroom, \$2,220 for a 2-bedroom, and \$3,078 for a 3-bedroom. See Appendix 16. The HUD-Approved fiscal year 2017 Fair Market Rents for Alameda County, which includes the City of Fremont, are: \$1,435 for a studio, \$1,723 for a 1-bedroom, \$2,173 for a 2-bedroom, and \$3,017 for a 3-bedroom. See Appendix 17.

Mobile home parks in the city of Sunnyvale are listed below as well as selected parks in Campbell, Hayward, Mountain View and San Jose. Included in the table below is

whether any units were for sale in any of those parks, and what the space rent would be to a new buyer of a home in that park. Often, it was difficult to reach park managers or others who were willing to respond to these questions. The full results of the telephone surveying of the parks listed in Table 5 below are reflected in Appendix 18.

TABLE 5: SURVEY OF SALES PRICES IN SURROUNDING AREA MOBILEHOME PARKS

PARK	CITY	OPEN SPACES	MOBILE HOMES FOR SALE	SPACE RENT
Timber Cove MHP	Campbell	0	0	N/A
Besaro MP	Fremont	0	0	N/A
Niles Canyon Mobile Estates	Fremont	0	0	\$900-\$1,250
Southlake MH Estates	Fremont	0	0	\$1,000-\$1,500
New England Village	Hayward	0	0	\$1,000
Moorpark MHP	Mountain View	0	0	N/A
Moffett MHP	Mountain View	0	0	N/A
New Frontier MHP	Mountain View	0	0	N/A
Sahara Village MHP	Mountain View	2	0	\$,2050-\$2,495
Sunset Estates MHP	Mountain View	0	0	\$1,190
Imperial San Jose Mobile Estates	San Jose	0	0	\$1,150
Lamplighter MH Park	San Jose	3	0	\$2,000
Magic Sands	San Jose	0	0	\$1,000
Mill Pond	San Jose	0	0	\$1,195
Moss Creek MH Community	San Jose	0	0	\$1,020
Mountain Shadows	San Jose	0	0	\$1,170
Mountain Springs	San Jose	0	0	\$1,170
Old Orchard MHP	San Jose	0	0	N/A
Pepper Tree Estates	San Jose	0	0	\$700

PARK	CITY	OPEN SPACES	MOBILE HOMES FOR SALE	SPACE RENT
Quail Hollow MHP	San Jose	0	0	\$1,170
River Glen MHP	San Jose	0	0	\$975
Silver Creek Mobile Estates II	San Jose	0	0	\$1,150
Spanish Cove MHP	San Jose	0	0	\$945
Summerset MHP	San Jose	0	0	N/A
Town \ Country Mobile Village	San Jose	0	0	\$850
Whispering Hills MHP	San Jose	0	0	\$950
Willow Glen Mobile Estates	San Jose	0	0	\$750
Winchester Ranch MH Community	San Jose	0	0	N/A
Woodbridge MH Community	San Jose	0	0	\$1,040
Adobe Wells	Sunnyvale	0	0	N/A
Cape Cod Village	Sunnyvale	0	0	\$850-1,200
Casa de Amigos	Sunnyvale	0	0	\$1,000
El Dorado MP	Sunnyvale	0	0	\$1,200
Fox Hollow MHP	Sunnyvale	0	0	Varies by home
Plaza del Rey	Sunnyvale	0	0	\$1,290
Rancho la Mesa MHP	Sunnyvale	2	0	\$1,150
Willow Ranch	Sunnyvale	0	0	\$1,195
AVERAGE SPACE RENT	\$1,145			

The following information was obtained from Santiago Financial, a subscriber service which reports information collected from the files of the Department of Housing and

Community Development which issues title to mobilehomes, in a similar manner to the Department of Motor Vehicles for automobiles. In the parks included in Table 6 below, the following are the lists of mobilehome sales prices in certain of those parks as reported to HCD for the period April 1, 2016 to June 30, 2016. Only those parks with sales data reported to HCD are included below. Sales of other homes not reported to HCD, such as homes still registered with the Department of Motor Vehicles may have occurred but are not included because of lack of public access to that data. The data used to compile Table 6 can be found in Appendix 19.

TABLE 6: COMPARABLE SALES IN SIMILAR MOBILE HOME PARKS²⁶

PARK	CITY	SALE DATE	SALE PRICE
Besaro MP	Fremont	7/5/2016	\$100,000
Casa Alondra MHP	San Jose	3/25/2016	\$72,000
Colonial Mobile Manor	San Jose	5/11/2016	\$96,000
Mill Pond	San Jose	2/29/2016	\$100,000
New England Village	Hayward	9/2/2015	\$85,000
Niles Canyon Mobile Estates	Fremont	10/8/2015	\$85,500
Rancho la Mesa MHP	Sunnyvale	5/5/2016	\$96,000
River Glen MHP	San Jose	3/31/2016	\$79,900
River Glen MHP	San Jose	11/4/2015	\$89,000

SECTION 17: RELOCATION ASSISTANCE PLAN

Pursuant to SMC Section 19.72.090(f)(1), the CIR must contain a relocation plan that specifies: “The minimum amount of relocation assistance the applicant agrees to pay each eligible resident and mobilehome owner under SMC Section 19.72.080 (Relocation Assistance) and a description of how the amount was determined.” That information is detailed below.

A. MOVING ALLOWANCE FOR ELIGIBLE RESIDENTS

Pursuant to SMC Section 19.72.080(d)(1):

“For all eligible residents, relocation assistance shall include a moving allowance to move to another park or other replacement housing up to a distance of one hundred miles. The resident is responsible for additional

²⁶ See Appendix 19.

costs to move to a location farther than one hundred miles. Moving allowance includes: (A) The cost to move furniture and personal belongings; (B) Rent for first and last month at the new location; (C) Required security deposit at the new location; (D) Temporary lodging, if applicable.”

There is no distinction made in the Ordinance for moving allowance mitigation assistance for residents, tenants or subtenants. It is presumed therefore that all qualifying residents at Blue Bonnet and all qualifying renters of mobilehomes,²⁷ who did not sign relocation waivers, will receive the moving allowance described above.

The Cost to Move Furniture and Personal Belongings: Applicant proposes to pay a lump sum of \$1,750 to move the personal property within any home that is a single-wide mobilehome, \$2,150 to move the personal property within any home that is a double-wide mobilehome, and \$2,850 to move the personal property within any home that is a triple-wide mobilehome. See Appendix 20. These sums represent the estimates of two moving companies as detailed below:

Estimated cost to move the personal property in a **single wide mobilehome**: \$1,750, which includes the material (boxes, etc.), packing of personal property, transportation and basic unpacking.

Estimated cost to move the personal property in a **double wide mobilehome**: \$2,150, which includes the material (boxes, etc.), packing of personal property, transportation and basic unpacking.

Estimated cost to move the personal property in a **triple wide mobilehome**: \$2,850, which includes the material (boxes, etc.), packing of personal property, transportation and basic unpacking.

Based on the measurements taken by the management agent and the Relocation Specialist, the largest home in the Park is 55.8 feet long by 12 feet wide, plus 53.4 feet long by 12 feet wide, plus 46 feet long by 12 feet wide, a triple-wide mobilehome with a total of 1,862.4 square feet. The smallest home in the Park is 39 feet long by 10 feet wide mobilehome with a total of 390 square feet. On average the homes are 617 square feet.

Rent for the First and Last Month at the New Location: Pursuant to the terms of SMC Section 19.72.080(d) (1) (B), the Applicant will pay the rent for the first and last month at the resident, tenant or subtenant’s new location.

²⁷ See discussion of Park Residents and Tenants under Section 1, Subsection B on pages 5 and 6, *supra*.

Pursuant to the City's Ordinance, for those households moving into an apartment, the Applicant will offer to pay a maximum of the first and last month's actual rent at the new apartment, up to the following amounts representing the first and last month's rent per the current Average Sunnyvale Rent²⁸.

- Studio apartment: \$1,903 x 2 = \$3,806
- 1-bedroom apartment: \$2,255 x 2 = \$4,510
- 2-bedroom apartment: \$2,567 x 2 = \$5,134
- 3-bedroom apartment: \$3,770 x 2 = \$7,540

For those residents who have purchased a mobilehome in a new park, the Applicant will pay the space rent for the first and last month at the resident's new mobilehome park, and a deposit if any (not to exceed one month's rent). The Applicant is therefore proposing to pay the first and last month's *actual rent* at the mobilehome park where the resident is buying a mobilehome and planning to move to. For reference, Table 5 includes the average space rent at surveyed parks as \$1,145 per month.

Required Security Deposit at the New Location: Pursuant to the terms of SMC Section 19.72.080(d)(1)(C) the Applicant will pay the actual security deposit cost at the new location, which may include the last month's rent.²⁹ Under California law, landlords may charge only one month's rent and a security deposit up to two month's rent. Therefore, the Applicant proposes to pay first and last month's rent and a security deposit, which in total are not to exceed three (3) months of rent.

Temporary Lodging Cost: Pursuant to the terms of SMC Section 19.72.080(d) (1) (D) the Applicant is required to pay the temporary lodging cost, if any. Temporary lodging cost would be required in the case of a mobilehome owner who is moving his or her home to a new location. There are only 5 mobilehomes that may be moved from Blue Bonnet, in the opinion of the Appraiser, due to the condition and age of the homes. Moving a mobilehome is relatively cumbersome because it must be dismantled and then re-assembled at a new location. It is estimated that such a process will take a maximum of three days and three nights assuming the location is within 100 miles of the Park, which is the maximum distance covered by the relocation program. The homeowner will need to cover any additional costs for any distance beyond 100 miles, including any additional nights of lodging. If such costs are incurred, the Applicant will reimburse homeowners for all actual and reasonable out-of-pocket expenses

²⁸ See Appendix 22, Real Facts Sunnyvale Data and Craigslist.org data average.

²⁹ Not to exceed the Average Sunnyvale Rent Data per unit per choice between Option 1 and Option 2. See Appendix 22, Real Facts Sunnyvale Data and Craigslist.org data average.

incurred in connection with the temporary lodging while the homeowner's home is being relocated to a new site (other than any additional costs if the new site location is more than 100 miles from the Park).

B. ACCESSIBILITY IMPROVEMENTS FOR MOBILE HOME OWNERS

Pursuant to SMC Section 19.72.080(2) (A):

“For eligible residents and mobilehome owners, relocation assistance may include payment of the cost to reinstall or replace any accessibility improvements made to the mobilehome such as wheel chair lifts, and grab bars.”

In the household interviews conducted by the Relocation Specialist earlier in 2016, each household was asked if their home included any accessibility improvements. One resident indicated a present need for accessibility improvements and one resident indicated a possible need for future improvements. Further, an exterior inspection of the homes at the Park revealed one home with a wheelchair lift.

Accordingly, if at the time of the appraisals or at the time of Applicant's purchase of any home in the Park, accessibility improvements are confirmed, the Applicant will pay the cost to reinstall or replace any such preexisting accessibility improvements. Homeowners who do not currently have but are in need of such accessibility improvements and who move to a home in Sunnyvale may be assisted through the City's Home Access Grant program, which can cover the costs of most typical improvements for lower-income households. Other cities in Santa Clara County have some similar programs. The City Housing Division can provide referrals to those programs, if needed.

C. RENT SUBSIDY FOR SENIOR, DISABLED OR LOW INCOME HOUSEHOLDS

Pursuant to SMC Section 19.72.080(d) (2) (B):

“For eligible senior, disabled or low income households, relocation assistance may include payment of a rent subsidy of up to twenty-four months if needed to offset increased housing costs and secure comparable housing. The rent subsidy is the difference of rent paid by the resident in the park and any higher rent for either a space at another park if the mobilehome is relocated, or rent for comparable housing if the resident moves to other rental housing. Mobile home owners who are eligible to sell their mobilehome to the Applicant at its in-place value may only receive the rent subsidy if the selling price is inadequate to secure comparable replacement housing for at least 24 months.”

Based on the household interviews conducted earlier in 2016 by the Relocation Specialist, it is anticipated that nearly all of the Park residents (Resident Homeowners, Tenants and Subtenants but not Absentee Homeowners) will qualify as low income, and/or disabled and/or senior³⁰, and thus will receive a rent subsidy. The Housing Relocation Specialist will verify each household's income to determine which households qualify as "low income" for the rent subsidy. Households that are not willing to verify their household income with the Housing Relocation Specialist will not receive the rent subsidy. Absentee Mobilehome Owners (whose primary residence is not at the Park) will not receive a rent subsidy or related relocation assistance (but will receive compensation for the appraised amount of their mobilehomes).

Relocation options for *residents* who are eligible for a rent subsidy include:

- Keeping their homes and potentially relocating them to another mobilehome park that will accept them, and receiving a rent subsidy, depending on the amount of their new rent for a 24 month period.
- Selling their homes for the full appraised value to the Applicant, moving into standard rental housing (not a mobilehome), and receiving a rent subsidy for a 24 month period.
- Selling their homes for the full appraised value to the Applicant, purchasing a mobilehome at another park and receiving a rent subsidy for a 24 month period.

Mobilehome sales data in Sunnyvale and surrounding cities, as referenced in Appendix 19, and the appraisals of the mobilehomes at Blue Bonnet reveal that the selling price (appraised value) may be "inadequate to secure comparable replacement housing for at least 24 months," and thus residents who are eligible to sell their mobilehomes to the Applicant at its in-place value will most likely, also qualify for the rent subsidy. In those cases, if the resident purchases a mobilehome at another park, the Applicant will pay the difference between the resident's current base space rent at Blue Bonnet and the base space rent at the new park for twenty-four months. Currently, the average mobilehome base space rent at Blue Bonnet is \$899 per month.

As to tenants who qualify for the rent subsidy, the Applicant will pay the difference between the tenant's current rent and the actual rent, up to the current fair market rent as discussed below, for an equivalent accommodation for 24 months. The average rent for a home at Blue Bonnet is \$1,600.50.

³⁰ Age 62 or older.

TABLE 7: AVERAGE RENTS

	Average Sunnyvale Rent³¹	HUD FY 2017 Fair Market Rent for County of Santa Clara	HUD FY 2017 Fair Market Rent for County of Alameda
Studio	\$1,903	\$1,507	\$1,435
1-bedroom	\$2,255	\$1,773	\$1,723
2-bedroom	\$2,567	\$2,220	\$2,173
3-bedroom	\$3,770	\$3,078	\$3,017

The HUD Fair Market Rent (FMR) Data is provided as additional information because some rent subsidies are based upon the FMR Data issued by HUD. However, the Applicant, following guidance from the City Housing Division and consistent with the approach taken in other recent conversions, is proposing rent subsidy options that are **based upon significantly higher, currently prevailing actual market rents in Sunnyvale** referred to herein as “Average Sunnyvale Rent.” The Applicant’s proposal seeks to make available the most reasonable rent subsidy to residents during this transition.

The Applicant proposes that the 24-month rent subsidy consist of two options: a “Fully Verified Option,” or a “Lump Sum Option.” The Fully Verified Option is based upon the actual rental rate at the unit that the household ultimately relocates to as verified by a written lease agreement executed by the household and the new landlord. The rent subsidy may not exceed the Average Sunnyvale Rent for the size of the new unit rented (minus the amount of rent currently paid at the Park). The Lump Sum Option is based upon current market rate rent, and does not require verification of a written lease agreement. The Lump Sum Option offers households a single payment without requiring any documentation verifying the household’s new location. Due to the fact that the amount is unverified, the Lump Sum Option will be discounted to 90% of Average Sunnyvale Rent. However, the Lump Sum Option also offers a bonus: households who select this option and vacate the Park within the first ninety (90) days following approval of the CIR by the Sunnyvale City Council will receive an increased subsidy that reflects 95% of Average Sunnyvale Rent. As of the time of filing this CIR, the City Council is set to consider approving this CIR on January 24, 2017. If the City Council approves the CIR on January 24, 2017, households need to select the bonus option and vacate by April 24, 2017.

³¹ See Appendix 22, Real Facts data and Craigslist.org rent data for the City of Sunnyvale.

Thus, the Applicant proposes that residents, tenants and subtenants who are eligible for a rent subsidy can receive the subsidy by electing one of two options: the Fully Verified Option that requires them to verify the amount of their new rent (for example, with an executed new lease agreement), or the Lump Sum Option that does not require verification of new rent, and is slightly discounted to reflect the ease of transaction and also allows the recipient to opt to use the lump sum toward purchase of a new home, rather than rent, if they so choose. Both options will require verification of income. The tables below illustrate these options.

(continued on next page)

TABLE 8: OVERVIEW OF APPLICANT'S PROPOSAL

			TENANTS CHOICE	
Item		Applicant's Proposal	Actual Rent at the New Unit (fully verified option) OPTION 1	Lump Sum Option (no verification required) OPTION 2
1	Rent Subsidy ³²	Average Sunnyvale Rent ³³	Actual new rent, up to Average Sunnyvale Rent, minus current rent at park.	90% of Average Sunnyvale Rent. BONUS if selected within 90 days increases to 95% of Average Sunnyvale Rent.
2	First/Last month Rent	Average Sunnyvale Rent	Actual New Rent up to Average Sunnyvale Rent x2	90% of Average Sunnyvale Rent x2.
3	Security Deposit	Average Sunnyvale Rent (not to exceed one month's rent)	Actual Security Deposit up to Average Sunnyvale Rent	90% of Average Sunnyvale Rent.
			In total, items 2 & 3 not to exceed 3 times Average Sunnyvale Rent.	In total, items 2 & 3 = 3 times Average Sunnyvale Rent at 90% or 95% if the BONUS is selected
			Based on what tenant actually rents, regardless of size of current unit as manufactured.	Unit size in lump sum option is based on current unit as manufactured.

³² Not all residents will receive this subsidy. Only residents, who did not sign waivers of relocation assistance and who are senior, low income or disabled are entitled to receive the rent subsidy. SMC Section 19.72.080(2) (B).

³³ See Appendix 22, Real Facts data and Craigslist.org rent data for the City of Sunnyvale.

TABLE 9: OVERVIEW OF OPTION 1 AND OPTION 2**OPTION 1: Fully Verified Option Based on Actual Rent Payment**

- Based on the difference between household's current rent at Blue Bonnet and what the household actually pays in rent at their new home, not to exceed the Average Sunnyvale Rent.
- Requires documentation and proof of where a tenant will relocate (for example, will require proof of new Lease Agreement).

OPTION 2: Lump Sum Option Based on Market Rent

- Based on the difference between the household's current rent at Blue Bonnet and 90% of Sunnyvale market rate rents.
- Available to households as a lump sum without requiring verification of rent at their new home.
- BONUS available for households who select this option and vacate within 90 days of CIR approval. This bonus will be based upon unit size.

Note: The Applicant proposes that the rent subsidy for a *studio apartment* be paid to those mobilehomes in which there is no designated bedroom per the manufacturer of the unit. Similarly the applicant proposes paying a 1 or 2 bedroom rent subsidy based upon whether the home *as originally manufactured* contained 1 or 2 bedrooms. Unpermitted additions or modifications which may have created bedrooms will not be included in the calculation of the number of bedrooms.

See Appendix 23 for a full calculation of the rent subsidy amounts residents, tenants, and subtenants will be entitled to under the Applicant's proposal.

D. ASSISTANCE FOR HOUSEHOLDS THAT ARE NOT SENIOR, DISABLED OR LOW INCOME HOUSEHOLDS

The Applicant believes, based on aggregate data received from the Housing Relocation Specialist, that there are three (3) households in the Park that are not senior, disabled or low income. The SMC does not require the Applicant to provide a monthly rent subsidy to those households, or any household that cannot document that it is senior, disabled, or low income. Those households will only receive rental assistance for the first and last month's rent and security deposit, as well as the moving allowance to move furniture and personal belongings described in Section A above. SMC Section 19.72.080(d)(1).

E. PAYMENT OF FULL APPRAISED VALUE OF UNIT

Pursuant to SMC Section 19.72.080(d) (2) (D) the Applicant shall pay to the mobilehome owners,

“Sale at 100% In-Place Value for Mobile Home Owners. For any eligible home owner whose home cannot be relocated to a comparable park within 20 miles or another park chosen by the mobilehome owner, the city council may require the Applicant to purchase the mobilehome at 100% of its in-place value. The Applicant shall hire a mobilehome appraiser from a list provided by the director to determine the in-place value of the mobilehome ... If the appraiser identifies lack of maintenance, deferred maintenance and or deterioration of the subject park which negatively affects the value of a mobilehome, the appraiser shall determine the value of the home with an upward adjustment in value if necessary to eliminate the negative effect in value caused by the lack of maintenance, deferred maintenance or deterioration, normal wear and tear excepted.”

As of the date of preparation of this draft CIR for submittal to the Director of Community Development, the appraisal reports for homes owned by Park residents have been received by the Applicant. Homeowners will be given hard copies of the appraisals by the Applicant at the same time the CIR is served upon them as well as notice of an anticipated hearing on the CIR by the Housing and Human Services Commission in November, 2016. See Section 6 - Anticipated Timeline. Per the terms of the Ordinance as set forth above, the Applicant proposes to pay 100% of in-place value of each mobilehome owner in addition to any relocation assistance that a resident may qualify for. (Those mobilehome owners who do not live at the Park, who own 3 homes³⁴, will not receive the rent subsidy or any other relocation assistance. The 3 subtenants may qualify for the rent subsidy or relocation assistance.)

Additionally, mobilehome owners have the option to pay for an additional appraisal of their units using an appraiser from the list of approved appraisers provided by the Sunnyvale Director of Community Development. See Appendix 25. The two appraisals will be averaged and the resident will receive the averaged amount.

F. RIGHT OF FIRST REFUSAL:

Per SMC Section 19.72.080(d) (2) (E):

³⁴ It is believed that one person owns 2 of the subleased home, and the 3rd home is owned by another party.

“Right of First Refusal for Residents. For all eligible residents, relocation assistance shall include the right of first refusal to purchase or rent homes or apartments to be constructed on the park site. Income-eligible residents may have first priority to purchase or rent any below market rate (BMR) units which may be constructed on the park site, if they meet all eligibility requirements for the BMR housing program. In order to receive priority for BMR units, interested residents shall file a request with the housing division before vacating the park.”

In its description of the proposed project, set forth in Section 10, Description of Proposed New Use for the Site, the Applicant has stated that it intends to meet the requirements of the Conversion Ordinance with respect to offering all eligible residents at Blue Bonnet a right of first refusal to purchase or rent any homes or apartments to be built at the Park site and offering priority to purchase or rent any BMR units to income-eligible residents who file a request with the housing division before vacating the Park.

F. RELOCATION ASSISTANCE FOR THOSE HOMEOWNERS WHO WISH TO RELOCATE THEIR HOMES TO ANOTHER MOBILE HOME PARK OR RECREATIONAL VEHICLE PARK:

As discussed in previous sections of this report, in the opinion of the authors of this report there are 5 mobilehomes at Blue Bonnet that potentially could be relocated to another mobilehome park. Many older parks have spaces that were originally designed for single wide mobilehomes, which today are too small for modern manufactured single wide mobilehomes. Most parks also have requirements regarding the age and condition of any mobilehome to be moved into the park.

If any of the mobilehome owners do in fact move their mobilehomes to another mobilehome park, SMC Section 19.72.080(d)(2)(C) provides as follows:

“Mobile home Relocation Costs for Mobile home Owners. For any eligible mobilehome owner whose mobilehome can be relocated, relocation assistance may include the lowest of 3 estimates obtained by the Relocation Specialist from licensed mobilehome movers to physically relocate the mobilehome to up to a maximum distance of one hundred miles. The mobilehome owner is responsible for additional costs to move the mobilehome to a location farther than one hundred miles. The estimates shall include the cost of disassembly of the mobilehome, transportation to the new site, reinstallation, replacement or reconstruction of blocks, skirting, shiplap siding, porches, decks and awnings, earthquake bracing if necessary, insurance coverage during transport, and utility hook-ups.”

The Applicant will pay the actual moving costs of moving a mobilehome from Blue Bonnet to another park, including the categories identified in SMC Section 19.72.080(d)(2)(C) for any mobilehome owner who moves his/her home to another location within one hundred miles of the Park. An estimate of the cost of such relocation is included in Appendix 21.

G. REPLACEMENT HOUSING

Per SMC Section 19.72.090(f)(2), the CIR must specify the type of replacement housing proposed for each resident. Based on the options above, residents and tenants have the option of choosing the Fully Verified Option or the Lump Sum Option to assist in obtaining replacement rental housing, relocating their mobilehome, or purchasing another home.

H. MOBILEHOME OWNERS WHO DO NOT RESIDE AT THE PARK AND SUB-TENANTS

The California state Legislature has declared that “because of the high cost of moving mobilehomes, the potential for damage resulting therefrom, the requirements relating to the installation of mobilehomes, and the cost of landscaping or lot preparation, it is necessary that the owners of mobilehomes occupied within mobilehome parks be provided with the unique protection from actual or constructive eviction afforded by the provisions of this chapter.” Subtenants who rent from mobilehome owners do not need to move their mobilehomes, so the MRL’s unique protections are not necessary for those subtenants. In addition, the Applicant does not have a contractual relationship with subtenants who rent from mobilehome owners. The Applicant is aware that 3 mobilehomes at Blue Bonnet are currently sub-leased from someone other than the Park owner. Those mobilehome owners are not eligible for relocation assistance, except for the appraised value of the mobilehome.

I. WAIVER AGREEMENTS

Pursuant to SMC Section 19.72.080(c), a waiver of relocation assistance rights is only valid if it is between a park owner and a tenant of a home owned by the park owner. The Applicant is aware that this provision applies to at least seven (7) spaces, where tenants who rent from the Park Owner have waived their rights to relocation assistance in written waiver agreements. As set forth in Section 13 A., the tenants who executed waiver agreements (See Appendix 13) will be entitled to a single lump sum payment of \$7,500 and no other relocation assistance.

SECTION 18: SUMMARY OF RELOCATION ASSISTANCE BY CATEGORY

There are two groups of residents and tenants at Blue Bonnet who are eligible for relocation assistance. The first group is the Resident Homeowners, who own their

mobilehomes and live in them at the Park. The second group consists of Tenants and Subtenants who rent their mobilehomes. Both of these groups are considered “residents” as defined in SMC Section 19.72. Absentee Mobilehome Owners, who do not live at the Park, will not receive relocation assistance.

A. RELOCATION ASSISTANCE FOR RESIDENTS (MOBILE HOME OWNERS WHO RESIDE AT THE PARK)

Within the group, there are two options presented to each resident under the Ordinance. The first is to sell their home to the Applicant for 100% of the appraised on-site value of their homes and receive Option 1, the “Fully Verified Option.” The second option is to sell their home to the Applicant as above and receive Option 2, the “Lump Sum Option.” Since most of the homes at Blue Bonnet are single wide mobilehomes that are most often are or one or two bedrooms, the payment scenarios in the tables below provide an anticipated hypothetical breakdown of payment options by one-bedroom and two-bedroom unit size.

TABLE 10: OPTION 1, FULLY VERIFIED SCENARIO FOR MOBILEHOME OWNERS WHO LIVE IN THE PARK

ITEM		1-BEDROOM	2-BEDROOM
A.	Current rent for space in the Park (<i>estimated with Park average</i>)	\$900	\$900
B.	Actual new rent (<i>not to exceed Average Sunnyvale Rent</i> ³⁵)	\$2,255 ³⁶	\$2,567 ³⁷
C.	Monthly rent subsidy (B – A) ³⁸	\$1,355	\$1,667
D.	Total rent subsidy for 24 months (C x 24)	\$32,520	\$40,008
E.	First month’s rent	\$2,255	\$2,567
F.	Last month’s rent	\$2,255	\$2,567
G.	Deposit (<i>not to exceed 1 month of rent</i>)	\$2,255	\$2,567
H.	Total Rent Subsidy (D + E + F + G)	\$39,285	\$47,709
I.	Moving allowance	\$1,750 ³⁹	\$2,150 ⁴⁰
J.	Full appraised value (<i>average appraised amount is shown here</i>)	\$87,586	\$87,586
K.	TOTAL ASSISTANCE	\$128,621	\$137,445

³⁵ See Appendix 22.

³⁶ Estimate only.

³⁷ Estimate only.

³⁸ Not all residents will receive this subsidy. Only residents who are senior, low income or disabled are entitled to receive the rent subsidy. SMC Section 19.72.080(2) (B).

³⁹ Based on a single wide mobilehome.

⁴⁰ Based on a double wide mobilehome.

TABLE 11: OPTION 2, “LUMP SUM OPTION” SCENARIO FOR MOBILEHOME OWNERS WHO LIVE IN THE PARK

ITEM		1-BEDROOM	2-BEDROOM
A.	Current rent for space in the Park (<i>estimated with Park average</i>)	\$900	\$900
B.	90% of Average Sunnyvale Rent ⁴¹	\$2,030	\$2,310
C.	Monthly rent subsidy (B – A) ⁴²	\$1,130	\$1,410
D.	Total rent subsidy for 24 months(C x 24)	\$27,120	\$33,840
E.	First month's rent (based on B)	\$2,030	\$2,310
F.	Last month's rent (based on B)	\$2,030	\$2,310
G.	Deposit (<i>not to exceed 1 month of rent</i>)	\$2,030	\$2,310
H.	Total Rent Subsidy (D + E + F + G)	\$33,210	\$40,770
I.	Moving allowance	\$1,750	\$2,150
J.	Full appraised value	\$87,586	\$87,586
K.	TOTAL ASSISTANCE	\$122,546	\$130,506

TABLE 12: OPTION 2, “LUMP SUM OPTION” SCENARIO FOR MOBILEHOME OWNERS WHO LIVE IN THE PARK WITH INCENTIVE BONUS

ITEM		1-BEDROOM	2-BEDROOM
A.	Current rent for space in the Park (<i>estimated with Park average</i>)	\$900	\$900
B.	95% of Average Sunnyvale Rent ⁴³	\$2,143	\$2,439
C.	Monthly rent subsidy (B – A) ⁴⁴	\$1,243	\$1,539
D.	Total rent subsidy for 24 months(C x 24)	\$29,832	\$36,936
E.	First month's rent (based on B)	\$2,143	\$2,439
F.	Last month's rent (based on B)	\$2,143	\$2,439
G.	Deposit (<i>not to exceed 1 month of rent</i>)	\$2,143	\$2,439
H.	Total Rent Subsidy (D + E + F + G)	\$36,261	\$44,253
I.	Moving allowance	\$1,750	\$2,150
J.	Full appraised value	\$87,586	\$87,586
K.	TOTAL ASSISTANCE	\$125,597	\$133,989

⁴¹ See Appendix 22.

⁴² Not all residents will receive this subsidy. Only residents who are senior, low income or disabled are entitled to receive the rent subsidy. SMC Section 19.72.080(2) (B).

⁴³ See Appendix 22.

⁴⁴ Not all residents will receive this subsidy. Only residents who are senior, low income or disabled and who did not waive their right to relocation assistance are entitled to receive the rent subsidy. SMC Section 19.72.080(2) (B).

B. RELOCATION ASSISTANCE FOR TENANTS AND SUBTENANTS (WHO RENT THEIR MOBILEHOMES IN THE PARK)

The second group of persons who reside at Blue Bonnet are tenants who rent a mobilehome pursuant to a bona fide lease agreement. To the Applicant's knowledge, there are 23 households who are tenants to Park owned mobilehomes pursuant to lease agreements with the Park Owner or her predecessor. Three additional households are subtenants pursuant to lease agreements with mobilehome owners. Therefore, there are 26 total homes that are rented. Of the 23 households who rent homes from the Park, at least 7 have signed waivers of relocation assistance agreements; 8 include minor children; and 18 are low income (income information has not been verified). The tables below summarize the relocation assistance that will be offered to tenants and subtenants of the Park who have not signed waiver of relocation assistance agreements.

TABLE 13: OPTION 1, FULLY VERIFIED SCENARIO FOR TENANTS⁴⁵ AND SUBTENANTS

ITEM		1-BEDROOM	2-BEDROOM
A.	Current rent for space in the Park (<i>estimated with Park average</i>)	\$1,536	\$1,665
B.	Actual new rent (<i>not to exceed Average Sunnyvale Rent</i>) ⁴⁶	\$2,255	\$2,567
C.	Monthly rent subsidy (B – A) ⁴⁷	\$719	\$902
D.	Total rent subsidy for 24 months (C x 24)	\$17,256	\$21,648
E.	First month's rent	\$2,255	\$2,567
F.	Last month's rent	\$2,255	\$2,567
G.	Deposit (<i>not to exceed 1 month of rent</i>)	\$2,255	\$2,567
H.	Total Rent Subsidy (D + E + F + G)	\$24,021	\$29,349
I.	Moving allowance	\$1,750 ⁴⁸	\$2,150 ⁴⁹
J.	Full appraised value	N/A	N/A
K.	TOTAL ASSISTANCE	\$25,771	\$31,499

⁴⁵ Tenants who have not waived relocation assistance.

⁴⁶ See Appendix 22.

⁴⁷ Not all residents will receive this subsidy. Only residents who are senior, low income or disabled and who did not waive their right to relocation assistance are entitled to receive the rent subsidy. SMC Section 19.72.080(2) (B).

⁴⁸ Based on a single wide mobilehome.

⁴⁹ Based on a double wide mobilehome.

TABLE 14: OPTION 2, “LUMP SUM SCENARIO” FOR TENANTS⁵⁰ AND SUBTENANTS

ITEM		1-BEDROOM	2-BEDROOM
A.	Current rent for space in the Park (<i>estimated with Park average</i>)	\$1,536	\$1,665
B.	90% of Average Sunnyvale Rent ⁵¹	\$2,030	\$2,310
C.	Monthly rent subsidy (B – A) ⁵²	\$494	\$645
D.	Total rent subsidy for 24 months (C x 24)	\$11,856	\$15,480
E.	First month’s rent (based on B)	\$2,030	\$2,310
F.	Last month’s rent (based on B)	\$2,030	\$2,310
G.	Deposit (<i>not to exceed 1 month of rent</i>)	\$2,030	\$2,310
H.	Total Rent Subsidy (D + E + F + G)	\$17,946	\$22,410
I.	Moving allowance	\$1,750	\$2,150
J.	TOTAL ASSISTANCE	\$19,696	\$24,560

TABLE 15: OPTION 2, “LUMP SUM SCENARIO” FOR TENANTS⁵³ AND SUBTENANTS WITH BONUS

ITEM		1-BEDROOM	2-BEDROOM
A.	Current rent for space in the Park (<i>estimated with Park average</i>)	\$1,536	\$1,665
B.	95% of Average Sunnyvale Rent ⁵⁴	\$2,143	\$2,439
C.	Monthly rent subsidy (B – A) ⁵⁵	\$607	\$774
D.	Total rent subsidy for 24 months (C x 24)	\$14,568	\$18,576
E.	First month’s rent (based on B)	\$2,143	\$2,439
F.	Last month’s rent (based on B)	\$2,143	\$2,439
G.	Deposit (<i>not to exceed 1 month of rent</i>)	\$2,143	\$2,439
H.	Total Rent Subsidy (D + E + F + G)	\$20,997	\$25,893
I.	Moving allowance	\$1,750	\$2,150
J.	TOTAL ASSISTANCE	\$22,747	\$28,043

⁵⁰ Tenants who have not waived relocation assistance and who are senior, low income or disabled.

⁵¹ See Appendix 22.

⁵² Not all residents will receive this subsidy. Only residents who are senior, low income or disabled and who did not waive their right to relocation assistance are entitled to receive the rent subsidy. SMC Section 19.72.080(2) (B).

⁵³ Tenants who have not waived relocation assistance.

⁵⁴ See Appendix 22.

⁵⁵ Not all residents will receive this subsidy. Only residents, who did not sign waivers of relocation assistance and who are senior, low income or disabled are entitled to receive the rent subsidy. SMC Section 19.72.080(2) (B).

C. RELOCATION ASSISTANCE FOR MOBILE HOME OWNERS WHO WISH TO RELOCATE THEIR MOBILE HOMES

Additionally, another potential relocation selection exists for mobilehome owners. They may request that the Applicant move their mobilehome from the Park to a location within 100 miles and to receive other relocation assistance as provided in the Ordinance. The Applicant shall pay the lowest of 3 estimates to relocate the mobilehome up to a distance of 100 miles. Relocation includes the cost of disassembly of the mobilehome, transportation to the new site, reinstallation, replacement or reconstruction of blocks, skirting, siding, porches, decks and awnings, earthquake bracing if necessary, insurance coverage during transport and utility hook-ups. Several companies that provide these services were contacted for estimates. Only one company responded with a full estimate, which is attached in Appendix 21. That estimate is used for illustration purposes only in the table below. The Applicant will also pay a moving allowance and rent subsidy, if applicable. The table below illustrates a hypothetical breakdown of payments to residents who relocate their mobilehomes. Mobilehome owners who do not live in the park may also receive the lowest of 3 estimates to relocate the mobilehome up to a distance of 100 miles, but they will not receive the rent subsidy or relocation assistance.

(continued on next page)

TABLE 16: ALTERNATIVE OPTION FOR RESIDENTS WHO RELOCATE THEIR MOBILE HOMES

ITEM		1-BEDROOM	2-BEDROOM
A.	Current rent for space in the Park (<i>estimated with Park average</i>)	\$900	\$900
B.	Actual new rent for space at the new park (<i>estimated with average rents for similar parks</i>)	\$1,145	\$1,145
C.	Monthly rent subsidy (B-A) ⁵⁶	\$245	\$245
D.	Total rent subsidy for 24 months (C x 24)	\$2,940	\$2,940
E.	Actual first month's rent for space at the new park (<i>estimate average rent for similar parks</i>)	\$1,145	\$1,145
F.	Actual last month's rent for space at the new park (<i>estimate average rent for similar parks</i>)	\$1,145	\$1,145
G.	Actual deposit (<i>not to exceed 1 month of rent</i>)	\$1,145	\$1,145
H.	Total Rent Subsidy (D + E + F + G)	\$3,435	\$3,435
I.	Moving Allowance	\$1,750	\$2,150
J.	Cost to move mobilehome (<i>based on one estimate, will be the lowest of three estimates</i>)	\$12,200	\$18,300
K.	TOTAL ASSISTANCE	\$17,385	\$23,885

SECTION 19: CONTACT INFORMATION FOR SERVICES

Pursuant to SMC Section 19.72.090(g) (1)-(3) contact information for services was obtained and is provided accordingly.

- (1) **Relocation Specialist.** The Relocation Specialist from the director's list with an explanation of services available.

A Relocation Specialist was retained from the Director's list, Autotemp, Inc. and has prepared this report and relocation plan. See Appendix 24 for the Relocation Specialist qualifications and explanation of services.

- (2) **Moving Companies.** The names, contact information and fee schedules of moving companies selected by the Relocation Specialist and approved by

⁵⁶ Not all residents will receive this subsidy. Only residents, who did not sign waivers of relocation assistance and who are senior, low income or disabled are entitled to receive the rent subsidy. SMC Section 19.72.080(2) (B).

the director, along with estimates for moving the mobilehome, furniture, and personal belongings.

This information has been obtained and is available in Appendices 20 and 21. Moving rates ranged between approximately \$1,750-\$2,850 dollars for the packing of personal property and moving within a 20 mile radius.

- (3) **Appraisers.** Names, contact information and fee schedules of qualified mobilehome appraiser from the Director's list.

Appraisers were contacted from the Director's list of qualified appraisers. See Appendix 25. However, pursuant to industry standards, the appraisers do not provide a fee schedule for appraisals of individual mobilehomes. A resident seeking their own appraisal will need to contact the appraisers on the City's list and obtain a quote for appraising their mobilehome.

SECTION 20: NEXT STEPS

After review of the Conversion Impact Report by the Director and staff members of the Sunnyvale Community Development Department, the Conversion Impact Report will be translated into Spanish. Prior to the end of September 2016 each mobilehome *owner* will receive a copy of the CIR, a copy of the appraisal of his/her home, a letter outlining the proposed mitigation assistance and notice of a meeting to be held to discuss the contents of the CIR. By the end of August, each *tenant* and *subtenant* will receive a copy of the CIR, a letter outlining the proposed mitigation assistance and notice of the meeting to be held to discuss the contents of the CIR. It is anticipated that the city's Housing and Human Services Commission will hold a hearing to review the CIR on or about November 16, 2016. Assuming the Commission approves the CIR, the next step will be City Council review and approval of the CIR.

CONCLUSION

This Conversion Impact Report details the relocation assistance required by SMC, Title 19, Sections 19.12.020 – 19.98.070 and addresses specifically the relocation assistance which will be provided to the various categories of Park residents – home owners, tenants, and sub-tenants. Secondly, the CIR contains a timetable which hopefully provides the Park residents with sufficient notice of upcoming milestones in the conversion/closure process to allow them to plan accordingly. While the relocation assistance is set forth in the CIR, the actual process of relocation will occur over many months and with substantive interaction between people who live at the Park or own mobilehomes at the Park and the Housing Relocation Specialist(s). The Applicant has

submitted this report in good faith knowing that it is not possible for it to mitigate every adverse impact which the closure of Blue Bonnet will have. It is the Applicant's intention to work closely with City Staff, the Housing Relocation Specialist and the residents to make this process proceed in a manner that results in relocating residents to housing that meets their needs and choices for relocation of their household.

October 3, 2016


MARGARET E. NANDA

October 3, 2016


DAVID RICHMAN

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