

Sunnyvale Mobile Home Park Memorandum of Understanding (MOU)/Accord

Scope of Work

*Facilitate Memorandum of Understanding Between
City of Sunnyvale
and Sunnyvale Mobile Home Park Owners*

As a result of the recently approved Sunnyvale Housing Strategy Project, this additional set of tasks is structured to assist the City of Sunnyvale in developing a memorandum of understanding (MOU) between the City and mobile home park owners regarding space rentals in the mobile home parks within the city. Mobile home park residents are key stakeholders and will have a significant role in development of the MOU. The process is designed to have the majority of negotiations and draft document in approximately six months, per the adopted 2020 Housing Strategy. The goal of the project being all parties ratifying an MOU or, failing that, the City will undertake the process of developing a mobile home park rent stabilization ordinance (RSO).

By involving the Sunnyvale City Council in the process of developing the MOU, the City will also be advancing the process of establishing a mobile home park RSO, if that should be needed, by soliciting the City Council's input and direction regarding the key terms and conditions that the City Council would like to see in either an MOU or an RSO that guides mobile home park space rents within the city. If the MOU process is not successful, the Council's involvement will position the Council to quickly develop terms of an RSO. Further, by providing input during the MOU development process, the Council will signal to mobile home park owners and residents its preferences for an RSO if the MOU process fails.

BAE Urban Economics and Goldfarb & Lipman will assist the City of Sunnyvale with the MOU process as follows:

1. Kick-Off Meeting with City Council

The consultant team will attend a City Council meeting to kick off the MOU process by presenting a workplan, currently slated for December 8, 2020. The consultant team will collaborate with City staff to provide an overview of the MOU process (City staff), overview of relevant MHP law (Goldfarb) and basic MOU features (BAE). The latter will include a potential range of key terms, including those identified by the City Council to incorporate on October 13, 2020, such as allowed rate of annual rent increase during continued residency and the allowed rate of increase upon vacancy; provisions for capital improvement cost pass-throughs, property tax pass throughs, retroactivity of the MOU and other issues. The meeting will provide the opportunity for staff and consultants to solicit initial concerns and input from the City Council before the formal negotiation meetings begin in early 2021. *This meeting and all other meetings in this scope of work are assumed to be conducted via Zoom or other web-*

based platform, to be hosted by City staff, and it is assumed that City staff will handle all required public noticing any desired direct outreach to relevant stakeholders.

2. Meeting #1 with Park Owners and Residents

The consultant team will attend a meeting with City staff, mobile home park owner representatives, and mobile home park resident representatives to initiate the MOU preparation process no earlier than January 2021. Team will provide an overview of the MOU process (City staff), overview of relevant MHP law (Goldfarb) and MOU features (BAE). The latter will include a potential range of key terms, including the terms identified by the City Council which include: allowed rate of annual rent increase during continued residency and the allowed rate of increase upon vacancy; provisions for capital improvement cost pass-throughs, property tax pass through, retroactivity of the MOU dating back no later than October 13, and other issues, including a summary of any City Council input on these items from the December 8 City Council meeting. The team will solicit concerns and input from all parties, including initial input on preferences for key MOU terms.

Prior to this meeting, City staff shall have worked with the park owners and the park residents to organize and designate representatives to represent their respective interests. A formal outline of the two representative groups will be established by City Staff prior to Meeting #1 and presented to the two representative groups. The outline will establish the maximum amount of individuals per representative group, the process to ensure all residents and owners have the chance to provide feedback outside of the formal meetings, and a format (if necessary) to limit the number of speakers during each negotiating meeting to ensure efficiency in negotiations.

After the meeting, BAE will prepare a draft summary for the team to review and provide any refinements. BAE will finalize the meeting summary and submit it to City staff for posting.

3. Round 1 of Separate Meetings with MHP Owners and Residents Representatives (2 meetings total)

For this task, the team will conduct one separate meeting each, with park owner and park resident representatives, to get initial input on contents of an MOU term sheet, including “must haves” and “nice to have” features and provisions.

After the meetings, BAE will prepare a draft summary for the team to review and provide any refinements. BAE will finalize the meeting summary and submit it to City staff for posting on the City’s Housing Strategy website and sharing with the Housing and Human Services Commission and City Council, as needed.

4. Meeting #2 With Park Owners and Residents

The team will hold one meeting for park owners and residents to meet and discuss the results of the Round 1 meetings. The team will present the summary of the MOU Term Sheet items and get input from all parties on whether any key terms are missing. The group will then have an initial discussion of the range values or parameters for term sheet items expressed by each side (e.g., a term sheet “item” would be the allowable annual increase in space rent during continued residency; the residents may say the “parameter” for this term should be no more than CPI and the owners may say the term should allow up to CPI plus 5%).

After the meeting, BAE will prepare a draft summary for the team to review and provide any refinements. BAE will finalize the meeting summary and submit it to City staff for posting.

5. Meeting #2 with City Council

The team will participate in a second meeting with the City Council. This will be structured as a work session to present the Draft MOU Term Sheet, and the items and parameters discussed by the park owners and park residents. The presentation will highlight areas of agreement and areas of disagreement. This discussion will provide the opportunity for the City Council to weigh in on MOU term sheet and provide input on the direction the Council would like for resolving any inconsistencies between the park owners and park residents.

If the meeting is held as a public meeting (instead of closed session) this would provide individual park residents, individual park owners, and/or members of the general public to give input on the MOU development.

After the meeting, BAE will prepare a draft summary for the team to review and provide any refinements. BAE will finalize the meeting summary and submit it to City staff for posting.

6. Meeting #3 with Residents and Park Owners

The team will attend a meeting with park owner and park resident representatives to present the Draft MOU Term Sheet, highlighting areas of agreement and the range of values expressed by both sides for any areas of disagreement. In addition, the team will summarize input from the City Council. The group will then discuss potential compromises on remaining MOU Term Sheet items and identify any areas of successful compromise.

After the meeting, BAE will prepare a draft summary for the team to review and provide any refinements. BAE will finalize the meeting summary and submit it to City staff for posting.

7. Round 2 of Separate meetings with MHP Owners and Residents (2 meetings total)

For this task, the team will conduct one separate meeting each, with park owner and park resident representatives, to get input on potential compromises on MOU Term Sheet items that are still outstanding.

After the meetings, BAE will prepare a draft summary for the team to review and provide any refinements. BAE will finalize the meeting summary and submit it to City staff for posting.

8. 4th Meeting with Park Residents and Owners

For this task, the team will attend a meeting with park owner and park resident representatives to present the Draft MOU Term Sheet, highlighting areas of agreement and summarizing the range of values expressed by both sides, and suggested compromises, based on the input gathered in the Round 2 separate meetings. Owner and resident representatives will then discuss potential compromises and identify any areas of successful compromise.

After the meetings, BAE will prepare a draft summary for the team to review and provide any refinements. BAE will finalize the meeting summary and submit it to City staff for posting.

9. 3rd Meeting with City Council

For this task, the team will conduct a work session with the City Council to report on progress and get the Council's input on possible compromises on remaining outstanding MOU Term Sheet items.

If the meeting is held as a public meeting (instead of closed session) this would provide opportunity for individual park residents, individual park owners, and/or members of the general public to give input on the MOU development.

After the meeting, BAE will prepare a draft summary for the team to review and provide any refinements. BAE will finalize the meeting summary and submit it to City staff for posting.

10. 5th Meeting with Park owners and Residents

Task 10.a. The team will hold a meeting with park owner and park resident representatives to review and discuss remaining outstanding MOU Term Sheet items. The group will work to resolve any outstanding points of disagreement on MOU terms and parameters.

After the meeting, BAE will prepare a draft summary for the team to review and provide any refinements. BAE will finalize the meeting summary and submit it to City staff for posting.

Task 10.b If the meeting is successful in resolving all outstanding MOU Term Sheet items, Goldfarb will draft the MOU consistent with the agreed-upon terms. Goldfarb will submit an Administrative Draft MOU for review and comment by City staff and BAE. Upon receipt of comments on the Administrative Draft, Goldfarb will make revisions and submit a Draft MOU to City staff for posting, and distribution to mobile home park owner and park resident representatives.

11. 4th Meeting with City Council

The team will participate in a public hearing to report on status of MOU (including review of Draft MOU, if prepared in Task 10.b) and get City Council direction to either continue with MOU negotiations to finalize MOU Terms and prepare the Draft MOU, or to terminate the MOU process and begin the process of drafting a mobile home park rent stabilization ordinance.

After the meeting, BAE will prepare a draft summary for the team to review and provide any refinements. BAE will finalize the meeting summary and submit it to City staff for posting.

Should the City Council direct continued work on the MOU, this may require authorization of an augmented consultant scope and budget if the contingency budget included with Task 13 is not sufficient.

12. Preparation of Meeting Notes, Coordination with City Staff

This task includes time for BAE to manage the consultant team and coordinate with City staff as necessary to schedule meetings, review progress, etc., via e-mail and web meetings. Goldfarb will participate in web meetings as necessary. BAE will also prepare notes to summarize each meeting, as noted in individual tasks, above.

13. Contingency

This task is a placeholder for additional work that may be identified as necessary to support the MOU development during the process. For example, this contingency could cover additional work to finalize the MOU if it is not completed by the 4th meeting with the City Council. Alternatively, this contingency could also provide limited time for the consultant team to conduct additional research or analysis to support the MOU negotiation process, accommodate additional meetings that may be requested during the process, etc.

Preliminary Schedule

Estimated Completion

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| 1. Kick-Off Meeting with City Council | (December 8, 2020) |
| 2. Meeting #1 with Park Owners and Residents | (Week of Jan. 4-8) |
| 3. Round 1 of Separate Meetings with MHP Owners and Residents | (Week of Jan. 25-29) |
| 4. Meeting #2 With Park Owners and Residents | (Week of Feb. 8-12) |
| 5. Meeting #2 with City Council | (Week of Feb. 22-26) |
| 6. Meeting #3 with Residents and Park Owners | (Week of Mar. 8-12) |
| 7. Round 2 of Separate meetings with MHP Owners and Residents | (Wk. of Mar. 29-Apr. 2) |
| 8. 4 th Meeting with Park Residents and Owners | (Week Ap. 12-16) |
| 9. 3 rd Meeting with City Council | (Week Apr. May 2-7) |
| 10. 5 th Meeting with Park Owners and Residents | (Week May. 17-21) |
| 11. 4 th Meeting with City Council | (Week June 14-18) |

Budget

Following is budget for completion of the above scope of work. The consultant will complete the scope of work for Tasks 1 through 12 on a fixed-fee basis, for a total cost of \$68,480. The consultant team will only complete work and bill against the contingency budget listed under Task 13 upon authorization of the City's project manager. The total project cost will not exceed \$81,380 unless the scope of work is amended.