



# City of Sunnyvale

## Agenda Item-No Attachments (PDF)

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### REPORT TO COUNCIL

#### **SUBJECT**

Make Required Findings and Approve Conversion Impact Report for Blue Bonnet Mobile Home Park, Located at 617 E. Evelyn Avenue in Sunnyvale

#### **SUMMARY OF HOUSING AND HUMAN SERVICES COMMISSION ACTION**

On November 16, 2016, the Housing and Human Services Commission (HHSC) held a public hearing on the draft Conversion Impact Report (CIR) for Blue Bonnet Mobile Home Park ("Park"). The Report to the HHSC is Attachment 1. Minutes of the HHSC hearing are provided in Attachment 10.

Eight members of the public, mainly Park residents and mobile home owners, expressed concerns such as: dissatisfaction with their mobile home's appraised value, lack of mobile homes for sale at comparable prices, fears of displacement, and concerns about Sunnyvale Municipal Code (SMC) Chapter 19.72 being outdated as it was adopted before the rise of the high-tech industry. Attorney William Constantine, representing the Blue Bonnet Residents' Committee, also spoke and submitted a written comment letter (Attachment 11) expressing concerns about the City's compliance with certain sections of the Subdivision Map Act and related state laws, among other issues. The Applicant submitted a response letter to Mr. Constantine's letter (Attachment 12) and spoke briefly in response to some of the concerns and questions raised. In addition, the Applicant submitted a supplement to the CIR (Attachment 13) that notes, among other points, that the Applicant is offering to pay for the cost of a second appraisal for those mobile home owners who expressed dissatisfaction with their homes' appraised values. Chapter 19.72 provides that if a resident is not satisfied with the initial appraisal received, they can obtain a second appraisal, and if it is higher than the first, they will receive the average of the two appraised values. It is not uncommon for some homeowners to express dissatisfaction with the appraisals they receive in situations of involuntary relocation. At the HHSC hearing, only two of the eight speakers noted concerns about their homes' appraisals, while the remainder of the commenters did not mention appraisals in particular.

After some discussion and a failed motion to recommend approval of the CIR as presented to the HHSC along with the required findings (2-2), the HHSC voted 2-1-1 (with two absences) to recommend Alternative 2: Recommend that the City Council find that preparation, noticing, and distribution of the CIR has been done in compliance with SMC Chapter 19.72, that the CIR includes adequate information and options, and that it takes adequate measures to address the adverse social and economic impacts on displaced residents and mobile home owners of a mobile home park conversion; and conditionally approve the CIR with the condition that the applicant add a more detailed description of how the relocation assistance described in the CIR will ensure that all the residents will be able to obtain adequate housing before the park is closed.

#### **ACTIVITY SINCE THE HOUSING AND HUMAN SERVICES COMMISSION HEARING**

Since the hearing, the Applicant, working closely with the Relocation Specialist (Autotemp), prepared and submitted a Supplement to the CIR (Attachment 13) to address the concerns expressed by the HHSC, Park residents and other interested parties regarding the adequacy of the relocation assistance package described in the draft CIR. The supplement includes a more detailed explanation of how the proposed relocation benefits can be used to obtain other housing in the area. The Supplement also describes the average assistance amounts available to residents, distinguishing between mobile home renters and mobile home owners. It provides an analysis of which available local housing options can be affordable to those households with the benefits offered through the CIR and considering the household income data obtained through the household interviews (and provided to staff in the Confidential portion of the CIR). Housing options analyzed include:

- Affordable rental housing including:
  - legacy Below Market Rate rental units
  - subsidized units
  - newer Affordable Rental Units--ARUs--which are coming online in recent “density bonus” rental projects
- Below Market Rate homes for sale
- Mobile homes for sale in other parks
- Other market rate rental housing

As noted in the cover letter, the Supplement does not describe each household’s particular situation and options due to privacy concerns, but rather analyzes possibilities based on typical scenarios based on the Relocation Specialist’s knowledge of actual household incomes, housing preferences and other relevant information.

Staff has updated Attachment 6 (Summary of Relocation Assistance Benefits) to correct several data entry errors that were found in the original Attachment 6 to the HHSC report shortly before the meeting. The corrected version of Attachment 6 was distributed to the HHSC and made available to the public at the meeting. The errors were not in the CIR itself or in any of the other information distributed to residents.

Regarding the comment letter submitted to the HHSC (Attachment 11), it appears that the author was confused by the Applicant’s submission of a “Preliminary Review” (PR) request in early 2016 which described a possible townhome project for the Park site. The letter confuses the Applicant’s prior PR submittal for a tentative subdivision map application and erroneously focuses on certain sections of the Subdivision Map Act that pertain to conversions of mobile home parks to resident-owned subdivided parks. Staff reached out to the author several times inviting him to a phone conference call with staff and the City Attorney’s Office, in an attempt to clear up the confusion. However after several attempts to schedule a mutually workable time, the author ceased responding to staff’s requests to schedule the call. Nonetheless, staff, after consultation with the City Attorney, feels that the Applicant’s response letter and the Supplement to the CIR (Attachments 12 and 13) clarifies the situation with respect to the Map Act, and adequately addresses this concern and the other concerns raised in the public comment letter (Attachment 11).

## **ALTERNATIVES**

1. Find that preparation, noticing, and distribution of the CIR has been done in compliance with SMC Chapter 19.72, that the CIR includes adequate information and options, and that it takes adequate measures to address the adverse social and economic impacts on displaced

- residents and mobile home owners of a mobile home park conversion; and approve the CIR as provided in Attachments 2 and 13.
2. Find that preparation, noticing, and distribution of the CIR has been done in compliance with SMC Chapter 19.72, that the CIR includes adequate information and options, and that it takes adequate measures to address the adverse social and economic impacts on displaced residents and mobile home owners of a mobile home park conversion; and conditionally approve the CIR (Attachments 2 and 13) with modifications.

### **RECOMMENDATION**

Alternative 1: Find that preparation, noticing, and distribution of the Conversion Impact Report has been done in compliance with Sunnyvale Municipal Code Chapter 19.72, that the Conversion Impact Report includes adequate information and options, and that it takes adequate measures to address the adverse social and economic impacts on displaced residents and mobile home owners of a mobile home park conversion; and approve the Conversion Impact Report as provided in Attachments 2 and 13 in the report.

Closure of a mobile home park, like any residential relocation undertaking, is always difficult for residents, public officials, and other involved parties. The concerns expressed by the HHSC, Park residents and other interested parties at the HHSC meeting are understandable, particularly given the highly competitive nature of the regional housing market at this time. The Relocation Specialist and Applicant have prepared an adequate CIR addressing the requirements of SMC Chapter 19.72 and have made additional efforts to make this process less difficult for those impacted. As noted in the HHSC report, state law constrains the extent to which local governments can impose mitigation requirements on park owners in response to a proposed closure or conversion. Staff feels that SMC Chapter 19.72, as amended in 2012, meets and exceeds the minimum requirements established by state law to mitigate impacts on park residents, without overstepping its limits in regards to property rights.

Staff, in consultation with the City Attorney's Office, reviewed the CIR, including the Supplement, as well as the confidential report, which provides details on each household and/or mobile home owner, the estimated relocation benefits available to them, and the appraisals, and finds that the CIR complies with SMC Chapter 19.72 and that the required findings can be made. Staff understands the concerns expressed at the HHSC hearing, as noted above. If Council determines that any part of the CIR is not adequate, staff recommends that it adopt Alternative 2 and provide specific direction to the Applicant regarding what modifications are needed, and authorize the CDD Director to review the modifications to verify that the required modifications have been made per Council direction.

Prepared by: Shila Behzadiaria, Assistant Planner

Reviewed by: Suzanne Isé, Housing Officer

Reviewed by: Trudi Ryan, Director, Community Development Department

Reviewed by: Kent Steffens, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

### **ATTACHMENTS**

1. **November 16, 2016 Report to HHSC** (*without attachments*)
2. Conversion Impact Report
3. Summary of Chapter 19.72
4. February 10, 2016 Notice to Residents

5. Summary of Blue Bonnet Characteristics
6. Summary of Relocation Assistance Benefits **(Updated)**
7. Conversion Process Timeline
8. Sunnyvale Average Rent Data
9. October 13, 2016 Resident Meeting Summary

**Additional Attachments for Report to Council**

10. November 16, 2016 HHSC Meeting Minutes (Excerpt)
11. November 15, 2016 Public Comment Letter
12. November 16, 2016 Applicant Response Letter
13. Supplement to the CIR