Planning Commission Date: October 24, 2007 Item No. 2

MILPITAS PLANNING COMMISSION AGENDA REPORT

Category: Public Hearing Report Prepared by: Felix Relilford

Public Hearing: Yes: __X___No: ____

Notices Mailed On: 10/12/07 Published On: 10/13/071 Posted On: 10/12/07

TITLE:	**Review of Mobilehome Park Conversion Impact Report-South Main Street Mobilehome Park**
Permits:	N/A
Location:	1504 S. Main Street
APN:	086-22-028
RECOMMENDATION:	**Approve Mobilehome Park Conversion Impact Report and forward recommendation to the City Council**
Applicant(s):	Trammell Crow Residential 1810 Gateway Drive, Suite #240 San Mateo, CA 94404-4062
Property Owner(s):	Baystone Developments, LLC 1649 S. Main Street Milpitas, CA 95035
Previous Action(s):	Mobilehome Park Overlay
General Plan Designation:	Multi-Family Very High Density (TOD)
Present Zoning:	"R- 4" Multi-Family Very High Density
Existing Land Use:	Mobilehome Park
Agenda Sent To:	Property Owner, Applicant and Mobilehome Park Tenants
Attachments:	Mobilehome Park Conversion Impact Report

BACKGROUND:

Pursuant to State Law and Title XI, Chapter 20 of the Milpitas Municipal Code, "Conversion of Mobilehome Parks to Other Uses," prior to closing of any mobilehome park, the applicant requesting to close the park must prepare a Mobilehome Park Conversion Impact Report. The Conversion Impact Report is submitted by Northern

California I 2005 LP, a Texas Limited Partnership, which is party to a contract to purchase the park from the current Park Owner, Baystone Developments, LLC.

History of South Main Street Mobilehome Park

Staff estimates that the South Main Street Mobilehome Park ("Park") was constructed in the late 1950s. The Park was originally designed and permitted by the State of California, Department of Housing and Community Development. The Park was originally approved with 45 tenant spaces, however over the past 10 to 15 years, the Park's former owners converted the Park's spaces to RV spaces, renting them to recreational vehicle tenants. Several of the mobilehomes remained on the site, owned by the Park owner and were rented to tenants within the Park.

The Park's infrastructure, particularly the utilities, reflects the advanced age of the Park and long period of deferred maintenance. In addition, the Park owner before Baystone Developments did not consistently enforce Park rules and regulations, which further contributed to the deterioration of the Park. The overall physical condition and general appearance of the Park is poor. The Park contains a separate laundry facility (which had to be closed by Baystone because of vagrants and homeless sleeping within the facility) and street. The Park contains no other amenities (i.e. playground, meeting room, etc.) for the benefit of the current tenants.

October 12, 2005, Baystone Developments, LLC purchased the Park. The overall condition of the Park was not improved. During this past year, staff worked with Trammell Crow Residential on improving the infrastructure of the Park. Since Trammell Crow's involvement, it has hired a Park manager to enforce the Park's rules and regulations. Staff has seen and documented improvements to the overall appearance of the Park.

Mobilehome Park Conversion Impact Report

State Law and Title XI, Chapter 20 of the Milpitas Municipal Code, require a number of actions be taken prior to the Planning Commission and City Council approving the Mobile Home Park Conversion Impact Report, specifically:

- Under the terms of the City's Ordinance (Section XI-20-6.01-2): If a resident believes that less than eighty-five percent (85%) of the mobile homes are inhabited, then the resident may file a written statement to that effect with the Community Development Manager. The statement must include the particular sites or spaces that the resident believes to be uninhabited. Upon receiving the statement, the Community Development Manager must investigate and inspect the mobile home park to determine the correctness of the statement.

  Upon completion of the investigation and inspection, the Planning Commission must conduct a public hearing as to the correctness of the statement and provide notice to the owner and residents of the public hearing not less than thirty (30) days prior to the hearing. At that time, any residents of the park may present evidence as to the correctness of the statement. At the conclusion of the hearing,

the Community Development Manager must make a determination as to whether the statement is correct or not correct.

- On May 23, 2007, the Planning Commission held a public hearing and concurred with the Community Development Manager's determination that the mobilehome park was at least less than eighty five percent (85%) inhabited.
- As required by State Law and Milpitas Municipal Code, the applicant was advised to prepare a Mobilehome Park Conversion Impact Report.
- On June 26, 2007, Staff and the Applicant held a meeting at the Milpitas Community Center with the residents of the Park to explain the next steps in the process and the preparation of the Mobilehome Park Conversion Impact Report.
- Upon completion of the Conversion Impact Report and as required by law, residents were given 30 days notice of a public hearing on approval of the report and to review the report. The report was provided to the residents on September 21, 2007.
- On October 3, 2007, the applicant held a meeting with the residents of the mobile home park to review the report. The law also required that the applicant:
    - Hire a Relocation Specialist to assist in the relocation of the mobilehome park residents. A list of moving companies, truck rentals, mobile home movers, appraisers and the Housing Relocation Specialist are included in the report for the information of the residents.

      -Provide a listing of mobilehome parks within a 200-mile radius of the existing park to provide the opportunity for those residents that wish to consider relocation to another park.

      - Provide an economic and financial package to assist in the relocation of the residents.

      -For those mobilehome park residents that are the owner of their mobilehome park and do not wish to relocate their mobilehome be paid ninety-five percent (95%) of the home's in-place value. In-place value is defined as the value of the mobile home if it were located in a comparable mobilehome park. The In-place value is to be determined by an appraiser. The owner of the mobile home is entitled to select the qualified appraiser. who is required to prepare and submit an appraisal of the value of the mobile home,

Mobilehome Park Residents

Of the 45 tenant spaces within the mobilehome park, as of October 1, 2007, 32 spaces are still inhabited by residents. Of the total number of 32 residents remaining in the mobilehome park:

- 29 are recreational vehicle owners
- 2 reside in Park owned mobile homes
- 1 resident owns their mobile home.

Since the initial meeting with the residents in June 2007 regarding the park closure, 3 residents have left the park. A large number of Park residents owe substantial amounts of back rent to the existing property owner, Baystone Development, LLC. In addition, because of Baystone's failure to address numerous issues associated with the general maintenance of the property, several residents withheld from paying rent. Past due rents range from several hundred dollars to several thousand dollars. A tenant was recently evicted owing approximately $13,000 in back rent. This has been an ongoing issue for Baystone and Trammel Crow.

Several eviction notices were issued by the property owner based on past due rent. These are civil matters between the owner and resident tenants in which the City is not a party.

Relocation Plan

The Relocation Plan identifies the timetable for implementing the physical relocation of mobile homes, relocation assistance package and the conversion of the park to other uses.

Trammell Crow Residential hired relocation assistance specialists Overland, Pacific and Cutler (OPC), located in Oakland, CA. OPC has been acting as the designated Housing Specialist for the mobilehome park since the first meeting with the residents June 26, 2007.At the meeting, OPC made a presentation to the residents about the types of services that they offer and could provides to the resident,

OPC's relocation advisory assistance duties included:

1) Conduct personal, on-site interviews of residents to determine their relocation housing needs and any other special requirements.
2) Collection of data and information to assist residents
3) Coordination with the agency, park owners and developers to review relocation policies and procedures
4) Inform residents of available relocation assistance services, benefits and explain the relocation process
5) Provide residents with on-going advisory assistance to minimize their hardship
6) Provide written referrals to replacement housing and assist residents completing applications, lease offers, review rental agreements, provide transportation (if necessary), etc.
7) Determine eligibility for proposed amount of relocation benefits and prepare relocation assistance entitlement reports for displaced households
8) Prepare all applicable benefit claim forms, secure resident's signature and submit claim forms to owner and/or developers
9) Monitor the move to the replacement dwelling (if necessary)
10) Deliver benefit checks and other appropriate payments to residents, obtaining signed receipts for payments.

Included in the Mobilehome Park Conversion Impact Report are the additional responsibilities and duties assigned to OPC to assist the residents

The applicant proposes a three-tier Relocation Assistance Plan that will consist of the following:

	Incentive Bonus	**- Minus 25% of back rent**	**+ Base Relocation Benefit**	**= Total**
If a resident vacates the Park before January 31st 2008	$5000	Minus 25% of Unpaid Past Due Rent	$4,500	$9,500-(25% of Unpaid Past Due Rent)
If a resident vacates the Park after January 31, 2008 but before March 31, 2008	$2,500	Minus 25% of Unpaid Past Due Rent	$4,500	$7,000-(25% of Unpaid Past Due Rent)
If a resident vacates the Park **after** March 31, 2008	$0		$4,500	$4,500

Tier-One

The Relocation Assistance provides additional money for those residents who desire to take advantage and leave the park early. Eight residents have already taken advantage of this opportunity. According to the applicant an additional 15 residents have indicated a desire to also be included in this incentive bonus tier.

Tier-Two

The Relocation Assistance program provides less in incentive bonus money for relocation assistance for those residents that would vacate the park by March 31st, 2008. A total of $7,000 would be provided.

Tier-Three

For those residents who would stay after March 21st until the park is closed a total of $4,500 would be offered.

Return of Deposit

For those residents that paid a deposit when they moved into the park, they will receive their deposit at the time of their exit from the park or if their mobilehome unit is purchased.

Please Note: The applicant has been willing to forgive seventy-five percent (75%) of the previous back rent due (approximately $180,000+). Those residents that do not owe any back rent will receive the entire benefit package. For those residents that owe back rent twenty-five percent (25%) of the back rent will be subtracted from their benefit package. The Commission should also be informed that the law only requires relocation assistance benefits to mobilehome owners. Based on staff negotiations with the applicant, staff has requested:

a) That all people who live in the Park are residents and be given equal access to Relocation Assistance Benefits regardless of their status as a mobilehome park owner, mobilehome park tenant, recreational vehicle owner or recreational vehicle tenant

b) Provide some relief for tenants that owe back rent so that they are able to obtain a substantial portion of the relocation assistance to assist in their living expenses

c) Address the Planning Commission's concerns regarding relocation scheduling of park residents with children and allowing those families with children to complete the school year and receive equal treatment in the Relocation Assistance program

d) Provide immediate improvements to the overall appearance and maintenance of the park to improve the living conditions

e) Immediately find housing for the Tenant at Space No. 28 who was 7 months
pregnant and living in substandard housing that had to be yellow tagged by the Building Official, and

f) Start enforcing the Park's rules and regulations

The process for receiving relocation assistance is identified on Page Nos. 21-28 within the Mobilehome Park Conversion Impact Report.

The Planning Commission should be advised that since 2004, three mobilehome parks have closed within Santa Clara County:

Park Name	Location	Relocation Assistance
Flick's Mobilehome Park	Sunnyvale	$3,183.74
Oasis Mobile Manor	Sunnyvale	$5,515 (including $2,750 bonus)
Redwood Mobile Manor	San Jose	No RV Tenants or Mobile Home Renters

Staff feels that the Mobilehome Park Conversion Impact Report for the South Main Street Park should be approved as in compliance with the Milpitas Municipal Code and forwarded to the City Council with the recommendation to find it is in compliance for the following reasons:

1) The applicant has provided a Relocation Benefit Assistance Package substantially greater in comparison to other mobilehome parks that have closed in Santa Clara County
2) The applicant is willing to include all residents of the mobilehome park in the Relocation Benefit Assistance Package, despite State law and Municipal Code requirements that only require benefits be paid to certain mobilehome owners. The applicant goes above and beyond the law's requirements regarding the payment of Relocation Assistance.
3) The applicant has taken immediate steps to improve the appearance and overall maintenance of the park
4) The applicant addressed the urgent needs of a Tenant in a difficult housing situation (hotel and permanent housing)
5) The applicant will address to staff's satisfaction the Planning Commission's concerns regarding children that live in the Park who attends school to work with those families to minimize disruption to the children's school schedule.
6) The applicant has shown extreme sensitivity in dealing with residents and their needs, and
7) The applicant has worked extremely well with City Staff to address a variety of issues related to the mobilehome park

If the Planning Commission and City Council find the Mobilehome Conversion Impact Report is in compliance with the Municipal Code's requirements, then the park may legally close, six months after the City Council makes its finding.

Included in the Commission's agenda packet is the Mobilehome Park Conversion Impact Report. This item is tentatively scheduled for the November 27, 2007 City Council meeting.

Recommendation:

Recommend to the City Council that pursuant to Milpitas Municipal Code Sec. XI-20-11.01, the City Council makes a finding that the Mobilehome Park Conversion Impact Report is in compliance with the requirements of Title XI Chapter 20 of the Milpitas Municipal Code.

Navé Consulting inc.

October 16, 2007

Mr. Felix Reliford
City of Milpitas
455 E. Calaveras Blvd.
Milpitas, CA 95035-5411

In regard to the incident that took place on July 3, 2007 at the Main Street Mobile Home Park with a member of the construction crew hired by Jim Wagar, the former owner of the park, to remove his unit, space #13, the following is the information that was given to Charles Nave of Nave' Consulting, the manager of the park, by Micheal Gillem, space # 4.

The crew came in and was working on tearing down and preparing the park model owned by Jim Wagar for removal. Allegedly one of the crewmembers approached a young 12-year-old girl (daughter of Michelle Sebesta, space #32) and asked her to pose nude for him and his friends. The young girl declined and went home. The male at some point had allegedly told the girls mother he would like to take her daughter out for a "date", even after he found out she was only 12 years of age.

Though neither the home that was being removed, nor the crew hired to move it, were the responsibility of Bay Stone Development, we reported the incident to the police as we believed was appropriate and subsequently worked with Sgt. Matt Toffey of the Milpitas Police Department to help the department locate the owner of the home who hired the construction crew. Sgt. Toffey said he would contact Nave' Consulting if any more information was needed. He made no further contact with either Bay Stone nor Nave' Consulting regarding this matter.

Should you have any other questions regarding the incident I would suggest you contact the Milpitas Police Department.

Sincerely,

Glen Nave'

Glen Nave'
Nave' Consulting, Inc.

1224 A Lincoln Avenue, San Jose, CA 95125 Phone: 408 298-4499 Fax: 408 298-5599 e-mail: glennave@yahoo.com

MICHAEL STEWART PLUMBING

October 8, 2007

Dear Resident Space #30:

I inspected the sewer of Main Street RV & MH Park at your space and found the park sewer system to be in good working condition.

The responsibility for the cost of plumbing repairs belongs to the owner of #30. I will be happy to repair the plumbing in your trailer on a cash payment basis only.

Sincerely,

Michael Stewart

Cc: Bay Stone Development

Michael Stewart

Oct 14, 07

#30 When I RAN OUT The ~~Line~~ SEWER Line I Pulled Out Toys Bottles Caps Out of the SEWER Line It Cleaned the Line And it RAN Good;

Michael Stewart
Plumber.

123 IS Level FROM TRAILER to SEWER INLet, The WASTE DRIES IN the Hose, I have Tested Line By RUNNING WATER IN to SEWER Line And the Line IS open

Michael Stewart
plumber