

**DATE ISSUED:** December 31, 2009**REPORT NO:** HAR10-007**ATTENTION:** Members of the Housing Authority  
For the Agenda of January 26, 2010**SUBJECT:** Mobile Home Parks Policy 300.401**REQUESTED ACTION:**

Approve amendments to the San Diego Housing Commission's (Commission) Mobile Home Parks Policy 300.401 to conform to existing Commission relocation assistance practices and to provide additional relocation assistance options.

**STAFF RECOMMENDATION:**

Authorize the Commission President and Chief Executive Officer (CEO) to amend Mobile Home Park Policy 300.401, as shown on the attached Draft Revised Policy (Attachment 1). The proposed revision includes:

- Ability for a mobile home owner to sell the mobile home to the park owner and forfeit the relocation subsidy or sell the mobile home to a third party in addition to receiving the relocation subsidy;
- Monitoring compliance and technical assistance fees;
- Reimbursement to the Commission by the applicant for expenses incurred for legal and/or consultant review of relocation plans; and
- A requirement that the mobile home park owner provide as part of the relocation plan, a self-certification verifying compliance with Municipal Code Section 143.0640 (a)(1) through (4).

**SUMMARY:**

Mobile homes, a vital source of affordable housing in San Diego, have been threatened by escalating land prices and the more profitable uses for mobile home park land. The Commission established Mobile Home Parks Policy 300.401 in 1980, which implemented Chapter 14, Article 3, Division 6 (Mobile Home Park Discontinuance and Tenant Relocation Regulations) and Chapter 13, Article 2, Division 7 (Mobile Home Park Overlay Zone) of the San Diego Municipal Code. The Commission monitored the mobile home relocation process for compliance with the administrative guidelines entitled Relocation Standards and Procedures (Attachment 1 Policy 300.401).

In 1993, Policy 300.401 was revised to expand the Commission's role to include development, preservation, and financing of mobile home parks with an emphasis on assisting mobile home owners to purchase parks threatened by conversion. In 1995, the policy was amended to institute a new method for calculating relocation benefits that was consistent with state code. The policy has since remained unchanged. In 2006, the Coronado Palms Mobile Home Park submitted relocation plans to the Commission. The submitted plan highlighted the need for greater flexibility for park and home owners alike, as well as the need to revise outdated fees.

The Commission is recommending policy modifications to accomplish three goals:

- 1) Reflect the Commission's present role in the provision of relocation assistance;
- 2) Include flexibility and additional benefit options to mobile home and park owners; and

3) Clarify implementation procedures.

The Commission currently administers the City of San Diego's Condominium Conversion and Single Room Occupancy Hotel tenant relocation assistance programs. It is suggested that the Commission's role in the relocation of displaced mobile home owners mirror that which is found in these similar relocation programs. Accordingly, the Commission will provide technical assistance to displaced households, monitor the relocation process and benefit payments, and work closely with park owners to ensure their understanding of their relocation obligations with the City's Municipal Code.

An additional relocation assistance option is included in draft Policy 300.401 to allow park owners to purchase a mobile home for an agreed upon price in-lieu of paying a 48 month rental subsidy to the mobile home owner. In the event a park owner chooses to offer this option, a mobile home owner may sell the mobile home to the park owner and forfeit the relocation subsidy or sell the mobile home to a third party in addition to receiving the relocation subsidy. Currently, there are no options available to mobile home owners who wish to sell their mobile home.

Another suggested change to the policy is to reduce the number of months by which the rental subsidy is calculated. Currently it is calculated at 48 months. Pursuant to State Government Code Section 7264 (b), the current state standard for rental subsidies to be paid to displaced tenants is 42 months. The Commission feels it appropriate to establish the state standard as the standard in the City's regulations rather than rely upon an arbitrary number of 48 months.

Additionally, draft Policy 300.401 provides greater detail regarding the calculation of relocation costs and administrative fees. The draft policy delineates relocation obligations for park owners and benefits for mobile home owners. It also includes U.S. Department of Housing and Urban Development's Fair Market Value figures to determine comparable rental costs, as well as indexing such figures to the Consumer Price Index. Additionally, the draft policy includes reimbursement to the Commission by an applicant for expenses incurred for legal and/or consultant review of relocation plans.

Finally, the draft policy requires that the mobile home park owner provide, as part of the relocation plan, a self-certification verifying compliance with Municipal Code Section 143.0640 (a)(1) through (4). This addition provides the park owner with a timely understanding of the Municipal Code and protects the mobile home owner's right to first refusal.

On January 20, 2009, Policy 300.401 was brought before the Housing Authority of San Diego for discussion. At that hearing there were concerns expressed about reducing the number of rental subsidy months from 48 to 42 as well as some of the language used to describe a mobile home. Additionally, the members of the Housing Authority felt there was some ambiguity about the placement of a deed of trust on the property versus a first lien position when the Housing Commission is financially involved in the preservation of a park. For clarification, the ultimate goal of the Commission is to ensure long term affordability on the restricted units in a park and a performance deed of trust is utilized rather than a lien. The Housing Authority's recommended changes to the text of the policy have been incorporated in Attachment 1.

**PREVIOUS COUNCIL and/or COMMITTEE ACTION:**

On April 11, 1980, the Commission adopted Mobile Home Policy 300.401. On March 15, 1993, the policy was revised to clarify the Commission's role. New guidelines pertaining to relocation benefits were approved by the Commission's Board on June 19, 1995 and the Housing Authority on September

18, 1995. This proposed amendment was approved unanimously by the Commission's Board on March 14, 2008 and Land Use and Housing on October 8, 2008. On January 20, 2009 the Housing Authority of San Diego heard this item and remanded it to the Land Use and Housing Committee for further discussion. On February 18, 2009 the Land Use and Housing Committee unanimously approved the amendment as presented in Attachment 1.

**COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:**

Staff presented the draft to the Home Community Issues Committee (MHCIC) for discussion and comment on January 17, 2007, February 21, 2007 and April 18, 2007. On January 16, 2008, the MHCIC unanimously approved the draft document (Attachment 2).

**KEY STAKEHOLDERS & PROJECTED IMPACTS:**

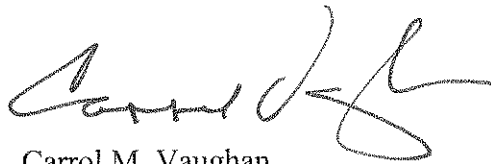
Key stakeholders include mobile home owners, mobile home park owners, and any persons associated with land use activities which would discontinue the use of a mobile home park and/or displace owners or tenants of that park.

Respectfully submitted,



Victoria Joes  
Senior Policy Analyst

Approved by,



Carol M. Vaughan  
Executive Vice President & Chief Operating  
Officer

Attachments:

- 1) Mobile Home Park Policy 300.401
- 2) MHCIC Minutes January 16, 2008

Hard copies are available for review during business hours at the Housing Commission offices at 1122 Broadway, San Diego, CA 92101, Main Lobby and at the Office of the City Clerk, 202 C Street, San Diego, CA 92101. You may review complete docket materials on the San Diego Housing Commission website at [www.sdhc.org](http://www.sdhc.org).

## POLICY

Subject: **MOBILE HOME PARK DEVELOPMENT**Number: **PO300.401**Effective Date: **XX/XX/09**

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1. PURPOSE

- 1.1 To clarify the role of the Housing Commission with regard to mobile home parks and, in part, to implement ~~Sec. 101.1001B of the Mobile Home Park Overlay Zone, Division 10 of the Zoning Code, Chapter 14, Article 3, Division 6 and Chapter 13, Article 2, Division 7 of San Diego Municipal Code.~~ **Chapter 14, Article 3, Division 6 and Chapter 13, Article 2, Division 7 of San Diego Municipal Code.** It is the Commission's intent that the policy be applicable City-wide except that it will not apply to the De Anza Mobile Home Park. It is the intention of the City to deal with any discontinuance and relocation issues involved with De Anza Mobile Home Park by separate ordinance or resolution because of the unique conditions applicable to the De Anza Mobile Home Park.

2. BACKGROUND

- 2.1 ~~Mobile homes have been a significant source of affordable housing to the elderly and other small, low income households. Mobile home parks are threatened with elimination because of high land values which cause park owners to consider other, more profitable uses. In recognition of these circumstances and in keeping with its commitment to expand and preserve low income housing opportunities, the Commission will provide limited support for new development of mobile home parks as appropriate, will assist resident or nonprofit initiatives for park preservation, and will oversee provision of relocation assistance.~~ **Mobile homes contribute to a diverse inventory of housing products available to the San Diego region. A range of housing opportunities provides choices for households of varying income levels.** In recognition of these circumstances and in keeping with its commitment to expand and preserve low income housing opportunities, the Commission will provide limited support for new development of mobile home parks as appropriate, will assist resident or nonprofit initiatives for park preservation, and will oversee provision of relocation assistance. **a variety of housing opportunities for all income levels, the Housing Commission will oversee provision of relocation assistance and will consider financial support for new park development or park preservation consistent with all accepted Commission funding practices.** The provisions of this policy are in accordance with applicable City ordinances including Sec. 101.1002 **143.0630** Discontinuance of a Mobile Home Park and Sec. 101.1003 **143.0640** Sale of Mobile Home Parks.

3. NEW DEVELOPMENT FINANCIAL PARTICIPATION IN NEW DEVELOPMENT AND PRESERVATION OF MOBILE HOME PARKS

- 3.1 ~~The Commission will aid developers of appropriately located proposed mobile home parks through provision of technical assistance.~~
- 3.2 ~~Financial assistance may also be provided pursuant to the Commission's general guidelines for financial participation.~~
- 3.3 ~~Parks to be assisted must be ownership or long term lease parks with residents controlling land through limited equity cooperative, nonprofit corporations or other partnership structures in order to maintain resident, nonprofit or public control and low income affordability.~~
- 3.4 ~~Commission assistance in the development of new rental parks will be considered only under unusual circumstances or special opportunities such as housing for farmworkers.~~

[Supersedes Policy 300.401, Issued 10/3/95, Effective XX/XX/09]

Authorized:

Richard C. Gentry, President &amp; CEO

Carrol M. Vaughan,  
Executive V.P. & COO

## POLICY

Subject: **MOBILE HOME PARK DEVELOPMENT**Number: **PO300.401**Effective Date: **XX/XX/09**

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**3.1 The Housing Commission may financially assist in developing new mobile home parks and preserving existing mobile home parks that meet the following criteria:**

- A) Assistance will be provided according to the Housing Commission's regular guidelines for financial participation pursuant to standard underwriting criteria.**
- B) Parks must ensure long term affordability through deed restrictions and with a deed of trust in favor of the San Diego Housing Commission.**
- C) Assistance will be available for park purchase by non-profits, resident associations or public entities in order to maintain public control and low income affordability**

**4. PRESERVATION OF EXISTING MOBILE HOME PARKS**

- 4.1 The primary vehicle for mobile home park preservation will be purchase of the park by the residents or a nonprofit corporation.**
- 4.2 The Commission will provide technical assistance in assessing financial and managerial feasibility, accessing state and other programs which provide financing for resident acquisition, and by participating as co-applicant when required by the funding source.**
- 4.3 Financial assistance in the form of loans to park residents or nonprofit organizations to finance a portion of the acquisition cost may be available from the Commission within the Commission's financial participation guidelines.**
- 4.4 The Commission may become financially involved in resident or nonprofit purchase of mobile home parks under the following circumstances, in rank order:**
  - A. First priority - To preserve affordable housing for low income residents (parks at risk of discontinuance, with excessive rents or with substandard facilities), or**
  - B. Second priority - To further homeownership (control of rents and management policies). In this instance, financial assistance will be limited to predevelopment funds unless it can be demonstrated that acquisition will involve a minimum amount of public investment and will result in greater affordability.**
- 4.5 When Commission funds are invested, beyond predevelopment funds, resale controls will be considered, recognizing that homes have higher value when rents are restricted.**

**5.4. RELOCATION**

- 54.1 Relocation plans required by the Mobile Home Park Overlay Zone will be reviewed by the Executive Director **President & CEO of the Housing Commission** as to conformance with Commission standards.**
- 54.2 Relocation will be treated as the responsibility of the private mobile home park owner, or the lessee in the case of a leasehold, and not a public responsibility. However, the Commission may assist the owner with relocation by:**
  - A. Regularly reviewing the inventory of publicly owned land for possible use as a relocation park.**
  - B. Assist by considering friendly condemnation which could have tax advantages for the owner, as suggested by the Mobile Home Community Issues Committee (MHCIC).**

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- ~~C. Providing financial assistance with resident park purchase when appropriate and as the budget permits.~~
- ~~D. Assisting in the development of an interim use mobile home relocation park when appropriate and as funds permit.~~
- ~~5.3 When public funds are used to assist in relocation, as in the development of an interim relocation park, priority will be given to those most at risk, i.e., very low income displacees.~~
- 4.3 Relocation plans required by the Mobile Home Park Overlay Zone will be reviewed by the President & CEO of the San Diego Housing Commission as to conformance with Commission standards. Relocation plans must include but are not limited to:**
- Tenant Survey to include:**
    - Methodology,**
    - Occupancy (household size mix),**
    - Resident Income (HUD definitions from very low-above moderate),**
    - Senior/Handicapped Head of Household (households with individuals 62 years or older or with mobility problems), and**
    - Mobile Home Data (size, age, improvements, mobility), and**
  - Relocation Resources to include:**
    - Methodology, and**
    - Mobile Home Parks (detailed list of local parks with available spaces), and**
    - Mobile Home Parks Space Availability (detailed list of parks that accept relocation and those that only accept new units), and**
    - Rental Housing (availability and cost of rental housing units in San Diego),**
  - and**
  - Relocation Impacts and Issues to include:**
    - Mobile home disposition and relocation, and**
    - Detailed mitigation measures, and**
    - Relocation benefits, and**
  - Conclusions and Recommendations, and**
  - Signed Affidavit verifying compliance with Municipal Code Section 143.0640(a)(1) though (4).**
- ~~54.4 This document is a policy and should not, therefore, be considered as creating any financial obligation on the part of the Housing Commission or the City to pay any costs with regard to relocation.~~
- 4.5 The applicant shall pay fees to the San Diego Housing Commission for expenses incurred pursuant to implantation of Policy 300.401, Attachment 1, Relocation Standards and Procedures. The funds shall be used by the San Diego Housing Commission to monitor compliance with the obligations set forth under this Policy, provide technical assistance to mobile home owners and tenants in their relocation, and recapture legal and consulting fees.**
- ~~54.56 The MHCIC may review the Mobile Home Park Policy and administrative guidelines and, if it is deemed necessary, recommend policy changes to the Housing Commission.~~

**History**

Adopted: 4/11/80

Revised: 3/15/93

Revised: 10/3/95

**Revised: XX/XX/09**

## RELOCATION STANDARDS AND PROCEDURES

(To be an administrative guideline to implementing the  
relocation section of Policy 300.401, Revised XX/XX/09)

1. To provide consistency in evaluating the adequacy of relocation plans, the fiscal standard against which relocation plans will be measured is:

- a. In the case where it is feasible to relocate a mobile home, as determined by Housing Commission staff, the park owner shall reimburse the mobile home owner the actual cost within the following ranges:

<u>Mobile Home Size</u>	<u>Relocation Amount</u>	
	<u>Minimum</u>	<u>Maximum</u>
8' AND 10' WIDE	\$3,000 <b>\$4,365</b>	\$5,000 <b>\$7,274</b>
12', 14' AND 16' WIDE	\$5,000 <b>\$7,274</b>	\$7,000 <b>\$10,184</b>
DOUBLEWIDE	\$7,500 <b>\$10,912</b>	\$15,000 <b>\$21,823</b>

In addition, any and all appurtenances would be valued and compensated up to \$1,000 **\$1,455** total.

- b. In cases where it is not feasible to relocate the mobile home, the park owner (or lessee in the case of a leasehold) shall provide the residence with reasonable relocation expenses as follows:

- (1) ~~The difference between current space rent and rent for a comparable apartment unit of a size appropriate to accommodate the displaced household and that meets HUD Housing Quality Standards with this amount provided for 48 months. Each mobile home tenant will receive a lump sum difference between current space rent and rent for a comparable apartment unit of a size appropriate, according to California Health and Safety Code Section 50050, to accommodate the displaced household and that meets HUD Housing Quality Standards for a period not to exceed 42 months. For purposes of calculating a relocation payment, the rent differential will not exceed the difference between the current space rent and the Fair Market Value of a comparable unit as published annually by HUD.~~
- (2) ~~The park owner or lessee shall pay to the mobile home tenant total~~ Total actual cost of moving expenses for furniture and personal belongings not to exceed \$1,000 **\$1,455**.
- (3) ~~All proceeds from the sale of the mobile home. Nothing contained herein precludes any mobile home owner that is also the mobile home tenant, to agree to sell the mobile home, that such person resides in, to the park owner or lessee for an agreed upon price to be no less than the amount of relocation benefits described in Section 1(b)(1) of this Administrative Guideline, in exchange for waiver of payment of those benefits described in Sections 1(b)(1) provided that such mobile home owner independently agrees to do so and such sale and waiver is not the product of coercion, fraud, force, deception, duress, misrepresentation, undue influence, threat or intimidation. Nothing contained herein shall require any mobile home owner to agree to sell his/her mobile home to a park owner or lessee or to waive receipt of relocation benefits.~~

2. During relocation the park owner (or lessee in the case of a leasehold) shall pay to each mobile home tenant hotel or temporary lodging cost in the amount of \$40 **\$147**<sup>1</sup> per night up to seven nights.
3. ~~The Mobile Home Community Issues Committee (MHCIC), with the assistance of park~~ Park owners and lessees and mobile home owners, will develop a list of available or vacant spaces to which their residents might move. This resource list would include lot sizes, existing rents and park policy regarding admission of older mobile homes.

<sup>1</sup> Source: California Lodging Industry Association, 2009 California Lodging Per Diem Rates

4. All specific dollar amounts mentioned above will be adjusted annually in conformance with changes in the Consumer Price Index, All Urban Consumers.



**City of San Diego**  
**Mobile Home Community Issues Committee (MHCIC) Meeting**  
**Wednesday, January 16, 2008 at 1:15pm**

1835 El Cajon Blvd., Suite D  
San Diego, CA 92103

The members of the Mobile Home Community Issues Committee (MHCIC)  
held a meeting at the above time and place.

**The Attendance of the committee members was as follows:**

<b>Park Owners</b>		<b>Home Owners</b>	
John Baldwin, Chair	Present	Robert Gould	Present
Keith Rhodes, Vice Chair	Present	Lee Jones	Present
Roy Muraoka	Absent	Michael O'Neil	Present
Bert Epsten	Present	Russ McJunkin	Absent
Steve Epsten (Alt. 1)	Absent	John Shannon (Alt 1)	Present
		Charles Gregan (Alt 2)	Present
<b>Neutrals</b>			
Steven Dinkin	Present		
Veronica Montenegro (Alt)	Absent		

Others in Attendance: Todd Philips, Housing Commission; Representative from Baldwin Pacific Group; Donald Byrum, Compac, President; Homeowner Representatives from Mission Valley Village Mobile Home Park; Ocean Bluffs Mobile Home Park; Coronado Palms Mobile Home Park; and, Linda Vista Village Mobile Home Park.

Meeting called to order at 1:17PM. There were enough members to establish a quorum.  
Meeting continued as official with John Baldwin chairing.

October 17, 2007 minutes approved without change.

No Chair Report.

Relocation Policy: Todd Philips, Director of Policy and Public Affairs, Housing Commission, presented a draft of the Relocation Policy. He indicated that Provision 5.4, Payment of Fees, had been added to the policy but indicated that no other provision had been changed from the document already approved by MHCIC. Mr. Philips stated that 5.4 is now standard language in many documents and that the fee structure is necessary to support the efforts of the Commission. The Committee agreed that the fees were reasonable. **The Committee unanimously approved the Relocation policy with the addition of Section 5.4.**

Before leaving the meeting, Mr. Philips explained his understanding of the closure process of Coronado Palms Mobile Home Park. He stated that the Housing Commission has attempted to help tenants get fair value for their property. He stated that the Commission

has approved the latest version of the contract with Lennar Homes.

A member from the audience raised a concern that tenants had not received their 6 month notice and thus were caught in limbo not knowing when they would need to move. The tenant further stated that in order to receive their relocation package, they had to wait. A MHCIC Committee member suggested that they might want to consider negotiating directly with the Mobile Home Park Owner before the issuance of the 6 month notice.

A tenant also asked Mr. Philips if the Commission used a relocation formula. Mr. Philips indicated that the formula is on the last page of the Relocation policy.

Right of First Refusal: Bob Gould explained that Sue Loftin was unable to attend the meeting to discuss Right of First Refusal. He suggested that Steve Dinkin, MHCIC's natural, send a formal letter to Ms. Lofton requesting that she appear at the April 16, 2008 meeting. The Committee unanimously agreed that Mr. Dinkin should send the letter.

Under Announcements, a tenant from Mission Valley Village Mobile Home Park explained that the SD Planning Commission did not approve removal of the overlay at their October 15, 2007 meeting but that the Commission did approve to move forward to study and consider the removal of the overlay. The MHCIC suggested that the time frame for closure could extend from 2-5 years.

Mr. Dinkin thanked Mr. Epstein for his generosity for hosting past MHCIC meetings and announced that future meetings would return to the War Memorial building in Balboa Park.

Under New Business, Mr. Baldwin suggested that the Committee consider electing a new MHCIC Chair and Vice Chair. Both Mr. Baldwin, Chair, and Mr. Rhodes, Vice Chair, stated that it has been the policy of MHCIC to rotate the Chair and Vice Chair position between Mobile Home Park Owners and Mobile Home Owners and that both would welcome new leadership. The Committee agreed to discuss the matter at the next Committee meeting scheduled for April 16, 2008.

Meeting adjourned at 2:15pm.