



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Planning and
Development
Department No.: 053
For Agenda Of: March 1, 2011
Placement: Departmental Agenda
Estimated Time: 30 min.
Continued Item: No
If Yes, date from:
Vote Required: N/A

TO: Board of Supervisors
FROM: Department Glenn Russell, Ph.D., Director
Director Planning and Development Department
Contact Info: Jeff Hunt, AICP, Director, 568-2072
Long Range Planning Division

SUBJECT: Report on Mobile Home Park Regulations

County Counsel Concurrence

As to form: Yes

Other Concurrence: N/A

As to form: N/A

Auditor-Controller Concurrence

As to form: N/A

Recommended Actions: That the Board of Supervisors receive and file the requested report.

Summary

At its September 28, 2010 hearing, the Board requested that staff prepare an administrative report regarding the conversion or closure of mobilehome parks.

1.0 Status of Existing Mobilehome Parks within the Unincorporated County

There are currently eighteen (18) existing mobilehome parks throughout the unincorporated County, which combined are approximately 336 acres in total area and contain 2,387 mobilehomes. For specific information regarding the size and location of individual mobilehomes parks, refer to the included Attachment A (*Mobilehome Park Inventory*). Additionally, there are four (4) parcels within the community of Casmalia which are zoned for Mobilehome Park (MHP) land uses but currently contain no mobilehome park development.

Recent Permit History

Valley Gardens

The Planning and Development Department received an application on January 25, 2007 for a Tentative Tract Map and Development Plan which proposed to convert an existing rental mobilehome park to an owner-occupied subdivision. However, per the applicant's request, this

project application was withdrawn prior to decision-maker action. The site was subsequently renovated with new site improvements and thirty-five (35) new mobilehomes were moved onto the parcel. These new homes are now available for rent.

Knollwood Mobilehome Park

The Planning and Development Department received an application on July 19, 2010 for a Tentative Tract Map which proposes to convert an existing 195-unit rental mobilehome park to an owner-occupied subdivision. The Tentative Tract Map application was reviewed and deemed complete on September 29, 2010. The County's Planning Commission considered this application at its February 9th hearing and voted 5-0 to approve the project.

2.0 Existing County Ordinances

The County currently has two adopted ordinances which address mobilehome parks specifically. They include Chapters 11 (Mobilehomes) and 11A (Mobilehome Rent Control) of the County Code. Additionally, Division 2 of County Code Chapter 21 (Land Division) prohibits the conversion of mobilehome rental parks to mobilehome subdivisions.

Chapter 11-Mobilehomes

Chapter 11 of the County Code was adopted on May 13, 1974. The primary purpose of this ordinance is to maintain local building permit authority over the development of mobilehome parks as allowed by State Health and Safety Code Section 18300 (aka The Mobile Home Parks Act). If the County had not adopted this local ordinance, building permits for the development of mobilehome parks (within the County of Santa Barbara) would be subject to the review and approval of the State Department of Housing and Community Development instead of the County's Building and Safety Division. Chapter 11 of the County Code contains parameters by which permits for mobilehomes are applied for and paid, and the process for appeal of such permits. Further information regarding The Mobile Home Parks Act is provided in Attachment B *State Regulations*.

Chapter 11A-Mobilehome Rent Control

Chapter 11A of the County Code was adopted on October 22, 1979. The primary purpose of this ordinance is to "protect the owners and occupiers of mobilehomes from unreasonable rents while at the same time recognizing the need for mobilehome park owners to receive a fair return on their investment." Chapter 11A of the County Code stipulates the acceptable method by which the owner of a mobilehome park may systematically raise rental rates in order to address an increase in operating costs (such as ongoing capital improvements). Chapter 11A also provides guidelines for an arbitration process when conflicts over fair rental rate increases arise between mobilehome park owners/operators and mobilehome park tenants.

Chapter 21-Land Division

Chapter 21 of the County Code specifies the local requirements for proposed divisions of land. Division 2 of this chapter was adopted in 1983 with the intent of prohibiting the conversion of existing rental mobilehome parks to mobilehome park subdivisions with individual "for-sale" lots. However, a subsequent expansion of State law (Government Code section 66427.5, enacted in 1991) provides a specific procedure by which local agencies review applications for the conversion of a rental mobilehome park to mobilehome park subdivision. Planning and Development has since processed all applications in accordance with these State procedures.

3.0 State Regulations

The State of California has a complex structure of laws and regulations meant to regulate the production and preservation of housing stock. Specifically, the State has two primary sets of regulations which address mobilehome parks, the Mobile Home Parks Act and the Mobilehome Residency Law (MRL). As previously described, the County (via its adoption of County Code Chapter 11) has already taken the necessary steps to locally enforce the Mobile Home Parks Act. The Mobilehome Residency Law is contained within the State's Civil Code and is enforced through private action, not the County. The MRL defines the rights and obligations of the park owner/management and mobilehome owners or residents relating to such issues as notices of rent increases, rental agreements, resale of a home in the park, or termination of tenancy. Additional background information regarding the contents of the MRL is provided in Attachment B (*State Regulatory Detail*).

In addition to these aforementioned components of State law, the Government Code contains additional regulations pertinent to the subdivision, closure, and/or conversion of an existing mobilehome park. These various aspects of State law are summarized below.

Conversion from a Rental Mobilehome Park to a Mobilehome Park Subdivision

Government Code Section 66427.5, which is a component of the Subdivision Map Act, stipulates the process by which a property owner or project applicant may convert an existing rental mobilehome park into a mobilehome park subdivision. Local jurisdictions, such as the County, must utilize these State procedures when reviewing an application for a mobilehome park subdivision. While the County may require a hearing to consider the approval of such an application, the County's authority is limited to "the issue of compliance with this section" of State law.¹ As a result, the County can only require that the proposed application conform to State law and cannot apply more stringent local standards. Some local jurisdictions have adopted regulations in an effort to supplement State law, and these regulations have often been challenged in court. The courts have consistently invalidated these local ordinances and concluded that local regulation is limited by State law. A notable exception to this legal trend occurred in December 2010, when the California Supreme Court granted review of a case involving a conversion of a mobile home park in the Coastal Zone to address a local agency's authority under the Coastal Act when applying Government Code section 66427.5.

Closure or Conversion of a Mobilehome Park to Another Land Use

While State law also directly regulates applications for the closure of mobilehome parks or their conversion to another land use (i.e. commercial, industrial, or a form of residential development other than mobilehomes), the applicable State requirements allow for additional regulation at the local level. Government Code Section 66427.4 regulates the conversion of a rental mobilehome park to a different land use, when it *is* subject to the approval of a subdivision map. Government Code Section 65863.7 regulates the closure or conversion of a mobilehome park to another use, when it *is not* subject to the approval of a subdivision map. Both of these Government Code sections allow the local jurisdiction, such as the County, to impose more stringent local regulations for the review of such applications. This latitude for additional local regulation is included in State law as follows:

¹ Government Code Section 66427.5(e)

Government Code section 66427.4(d):

This section establishes a minimum standard for local regulation of conversions of mobilehome parks into other uses and shall not prevent a local agency from enacting more stringent measures.

Government Code section 65863.7(e):

The legislative body, or its delegated advisory agency, shall review the [residential impact]² 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.

Since State law allows for additional local regulation of mobilehome park closures or conversions to another land use, the County could consider the development of an ordinance to provide such local regulatory guidance. As discussed below, other local jurisdictions (such as the County of San Luis Obispo) have already adopted such local ordinances. For more information regarding the regulations imposed by Government Code Sections 66427.4 and 65863.7, please refer to Attachment B (*State Regulatory Detail*).

4.0. Actions Taken by Other Local Jurisdictions

City of Goleta

Upon its incorporation, the City of Goleta adopted ordinances which mirrored the County's existing provisions for the establishment of local building permit authority over mobilehome park development, the creation of rent control requirements for mobilehome parks, and the prohibition of mobilehome park conversions from rental to owner occupied subdivisions. Additionally, the City of Goleta adopted a moratorium on mobilehome park conversions from rental to resident owned subdivisions. The City has been the subject of multiple legal actions due to its attempt to locally regulate mobilehome park subdivisions beyond the scope of State law. The City's rent control ordinance and subdivision moratorium were both challenged in court. The Goleta rent control ordinance was upheld, but the City's moratorium on mobilehome park subdivisions was invalidated. Furthermore, the City of Goleta attempted to impose conditions on the mobilehome park conversion of the Rancho Mobile Home Park, citing its need to mitigate impacts to affordable housing as required by the California Environmental Quality Act (CEQA). However, in December 2007, the trial court ruled against the City stating that the City did not have the power to impose conditions on the mobilehome park conversion and thus could not mitigate under CEQA (*Guggenheim v. City of Goleta*). The court found the effects of the conversion on affordable housing to be "highly speculative." The City appealed this court decision but voluntarily dismissed the case before a decision by the Court of Appeal was rendered. Ultimately, the City approved the subdivision of the Rancho Mobile Home Park consistent with the provisions of Government Code section 66427.5. The residents of the park then challenged the legality of the subdivision, claiming that

² Additional bracketed wording added for clarification purposes. Government Section 65863.7(a) requires that, "Prior to the conversion of a mobilehome park to another use, except pursuant to the Subdivision Map Act (Division 2 (commencing with Section 66410) of Title 7), 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."

the resident survey of support, which is required by section 66427.5, was not conducted correctly. On January 24, 2011, the trial court ruled in favor of the mobilehome park residents and delayed the conversion of the mobilehome park until the survey is conducted correctly.

County of Sonoma and the County of Ventura

The County of Sonoma adopted a local ordinance which provided criteria for determining whether the conversion of a rental mobilehome park to a mobilehome park subdivision was “bona fide” per Government Code Section 66427.5. These criteria included:

- If more than 50% of surveyed residents support conversion to ownership, then subdivision is considered bona fide.
- If between 20-50% of surveyed residents approve, the subdivider must demonstrate that it is a bona fide conversion, with, at a minimum, a viable plan, with a reasonable likelihood of success, in place to convey the majority of the lots to current residents within a reasonable period of time.
- If less than 20% of surveyed residents support it, the conversion is not presumed to be a bona fide resident conversion.

The County of Sonoma’s ordinance was challenged in Court and upheld by the trial court. As a result of the trial court decision, other local governments such as the County of Ventura adopted the same ordinance in order to provide local regulatory control within their respective jurisdictions. However, in 2009 a State Court of Appeal overturned the trial court decision and held that the local ordinance was invalid. (Sequoia Park Associates v. County of Sonoma, 176 Cal. App. 4th 1270).

City of Santa Maria

In 1993, the City of Santa Maria adopted a local ordinance which regulates the, “Conversion of Mobilehome Parks to Other Uses.” This ordinance states that, “Any person who files an application for a rezoning, General Plan amendment, subdivision map, use permit, site development permit or any other discretionary development approval under Titles 11 or 12 of this Code, for the purpose of a change of use of a mobilehome park” the applicant shall comply with the following summarized provisions³:

- File a report on the impact of the change of use upon the residents of the mobilehome park
- The conversion impact report shall address the availability of adequate replacement housing in mobilehome parks and the costs of relocating displaced residents.
- Provide a relocation plan, which will include a timetable for implementing the physical relocation of mobilehomes, implementation of relocation assistance, payment of relocation costs and conversion of the park to one or more other uses.
- Provide a specification of the measures proposed to mitigate adverse impacts and of the costs of relocation of displaced residents.
- Not less than fifteen (15) days prior to the scheduled public hearing before the Planning Commission on the conversion impact report, the applicant shall transmit to the homeowner and to any tenant of each mobilehome occupying a mobilehome site within the park a copy of the conversion impact report, a copy of the Mobile Conversion to Other Uses ordinance, and of the dates, times and places of the public hearing on the application for discretionary approval for the purpose of a change of use.

³ The listed provisions have been altered and summarized for brevity purposes; please refer to Attachment C (*City of Santa Maria-Mobilehome Conversion to Other Uses Ordinance*) for the full and verbatim requirements of the referenced municipal code.

- Not less than ten (10) days prior to the scheduled public hearing before the Planning Commission, the applicant shall conduct an informational meeting for the residents of the mobilehome park regarding the status of the application for relocation of residents, proposed relocation costs and assistance, and the contents of the conversion impact report.
- The applicant shall include within the conversion impact report the steps the owner proposes to mitigate any adverse impact on the ability of displaced park residents to find adequate housing in a mobilehome park, including the reasonable costs of relocation. The City Council, upon reviewing the report and recommendation of the Planning Commission (or the Planning Commission, for projects which do not require City Council approval), shall require the applicant to take steps to mitigate such adverse impact which shall not exceed the reasonable costs of relocation,
- The reasonable costs of relocation shall include: the cost of relocating a displaced homeowner's mobilehome, accessories and possessions to a comparable mobilehome park within ten (10) miles of its existing location, including costs of disassembly, removal, transportation, and reinstallation of the mobilehome and accessories at the new site, and replacement or reconstruction of blocks, skirting, siding, porches, decks, awnings or earthquake bracing if necessitated by the relocation; indemnification for any damage to personal property of the resident caused by the relocation; reasonable living expenses of displaced park residents from the date of actual displacement until the date of occupancy at the new site; payment of any security deposit required at the new site; and the difference between the rent at old and new sites for the first twelve (12) months of the relocated tenancy.
- If the City Council or Planning Commission, determines that a particular mobilehome cannot be relocated to a comparable mobilehome park within ten (10) miles of its existing location, and the homeowner has elected to sell his or her mobilehome, the reasonable costs of relocation shall include the cost of purchasing the mobilehome of a displaced homeowner at its in-place market value.
- All eligible homeowners and all mobilehome tenants of eligible homeowners shall be provided with the services of one or more housing experts to assist them in relocating to available and adequate housing upon their request.

County of San Luis Obispo

In 2008, the County of San Luis Obispo adopted a local ordinance for regulating the "Closure or Conversion of a Mobilehome Park to Another Use." The ordinance requires approval of a Conditional Use Permit (CUP) prior to the closure or conversion of a mobilehome park. Approval of this CUP is contingent upon the production of a Resident Impact Report, proper noticing of all affected persons, and the provision of relocation assistance in the following forms⁴:

- The project applicant shall pay all costs related to moving the mobilehome to a comparable mobilehome park within 20 miles.
- The project applicant shall provide mobilehome owners with payment of the difference in rent between the old and new mobilehome park spaces for up to twenty-four months.

⁴ The listed provisions have been altered and summarized for brevity purposes; please refer to Attachment D (*County of San Luis Obispo-Closure or Conversion of a Mobilehome Park to Another Use Ordinance*) for the full and verbatim requirements of the referenced municipal code.

- If the mobilehome cannot be relocated to a comparable park or owner-approved receiver site, the applicant shall buy the mobilehome and pay the “in-place” value, which shall be the appraised fair market value as determined by a certified real estate appraiser who is acceptable to the County.

City of Huntington Beach/City of Seal Beach

The cities of Huntington Beach and Seal Beach both adopted local ordinances in 2004 which regulate the conversion of mobilehome parks to alternate land uses. The content and requirements of these ordinances are similar to the code requirements adopted by the City of Santa Maria and County of San Luis Obispo. All of these jurisdictions require the submittal of an impact report, provide local specificity of what the impact report must contain, and provide parameters by which applicants are required to provide reasonable relocation assistance for those residents who would be displaced by the proposed change in land use.

5.0. Conclusion

As summarized previously, the State has several regulations which specifically address the development standards, civil tenant rights, and closure, conversion, or subdivision of mobilehome parks. In most cases where State law allows, the County has already taken action to assume local control of the implementation of these State provisions in a manner which meets or exceeds State mandate.

However, the County has not adopted local provisions which mirror or expand upon the requirements set forth in State Government Code Sections 66427.4 and 65863.7, regarding the closure or conversion of mobilehome parks to an alternative land use. The County could choose to adopt a local ordinance which would provide additional local regulation of mobilehome park closures and conversions, similar to the actions already taken by other jurisdictions. For reference purposes, the local ordinances for the City of Santa Maria (Attachment C) and County of San Luis Obispo (Attachment D) have been included in this report.

In its proposed 2011-2012 Work Plan, the Long Range Planning division has included a potential project which would develop such an ordinance. The development of a “Mobilehome Park Conversion or Closure Ordinance” is currently listed as a mid-term project to be considered for implementation within next 3-5 years. However, the Board and/or Planning Commission have the ability to identify this project as a higher priority within the context of the Long Planning Division’s Work Plan.

Performance Measure:

N/A

Fiscal and Facilities Impacts:

N/A

Fiscal Analysis:

N/A

Staffing Impacts:

Legal Positions:

N/A

FTEs:

N/A

Special Instructions:

The Clerk of the Board shall forward a copy of the Minute Order to the Planning & Development Department, Attention: Nathan Eady, Long Range Planning Division.

Attachments:

Attachment A- Mobilehome Park Inventory

Attachment B- State Regulatory Detail

Attachment C- City of Santa Maria-Mobilehome Conversion to Other Uses Ordinance

Attachment D- County of San Luis Obispo-Closure or Conversion of a Mobilehome Park to Another Use Ordinance

Authored by:

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cc: Jeff Hunt, AICP, Director, Long Range Planning Division
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