Mobilehome Park Housing in El Monte
Issues and Policy Options

(El Monte, California)

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This report was commissioned by the City of El Monte. The opinions expressed herein are those of the author and do not necessarily represent the views of the City.

An addendum to this report will discuss zoning issues related to mobilehome parks.

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Executive Summary

Mobilehome Park Space Rentals in El Monte

El Monte has 33 mobilehome parks with 1,427 spaces for mobilehomes. 572 of the spaces are in eighteen mobilehome parks with less than 45 spaces.

In 32 of the mobilehome parks with 1026 spaces virtually all of the spaces are occupied, with few vacancies. In one mobilehome park (Brookside) with 421 spaces, about half of the spaces are unoccupied.

Most of the mobilehome occupants own their mobilehome, but rent the spaces they are located on. However, in seven small mobilehome parks with 157 spaces, the mobilehome park owner also owns all of the mobilehomes. (In a few mobilehome parks the park owner owns some of the mobilehomes.)

In fact, the mobilehomes are immobile homes. If a mobilehome park closes the mobilehome cannot be moved to another mobilehome park in the area because there are very few vacant spaces in mobilehome parks and most mobilehome parks will not accept older mobilehomes. If large rent increases are imposed, a mobilehome owner must pay the higher rent, or move and sell the mobilehome in-place or if it cannot be sold in place give away the mobilehome for nothing or a nominal price. A mobilehome may lose most or all of its value as a result of exceptional rent increases. For these reasons, approximately ninety jurisdictions in California have adopted mobilehome park rent stabilization ordinances.

The mobilehome park spaces in El Monte constitute a housing alternative that is much more affordable than conventional apartment rentals. Average space rents in mobilehome parks ranged from $275 to $750, with the exception of Brookside MHP. Three of the parks had average space rents ranging from $275 to $399; three had an average between $443and $477; five had an average ranging from $500 to $575. In the second largest park in the City (Daleview, 175 spaces) the average rent is $700 and in the third largest park (Santa Fe, 94 spaces) the average rent is $750. Daleview has more facilities than nearly all the other parks in the City, including a pool.

In contrast, there are very few apartments available for less than $1,000 per month.

The residents of Brookside reported average rents of $1,256, with rent levels ranging from $950 to $1,500. The average rent level is a few hundred dollars higher than the rent levels reported by any of the 50 mobilehome parks in the area which were surveyed as a part of this study and any of the 18 mobilehome parks surveyed for a relocation impact report submitted to the City by a park owner in 2014, as well as any of the other mobilehome parks in the City.

Mobilehome Park Residents

The mobilehome park residents are primarily low income households. Half of the respondents to the resident survey reported an annual household income of $15,000 or under. Thirty-seven percent of the households reported an annual income between $15,000 and $29,999.

About three quarters of the mobilehome owner households have lived in their homes for five years or more; half have lived in their homes for ten years or more.

The Mobilehome Park Space Rental Market in the Area

A survey of 50 mobilehome parks in the area confirmed that the rate of vacant spaces is low – 1.34% and indicated that the rate of turnover in mobilehome ownership is low – usually under 10% and commonly under 5%. The selling prices of older singlewides are typically in the range of $5,000 to $35,000, with half of the respondents indicating typical prices of $20,000 or less.

Policy Options

Rent Stabilization

The City's current rent stabilization ordinance, which was first adopted in December 2012, is applicable to the two mobilehome parks in the City that have one hundred or more spaces. About ninety jurisdictions in the State have rent stabilization ordinances. Generally the ordinances apply to all of the mobilehome parks in the jurisdiction except for very small parks (e.g. less than ten spaces).

Information about rent increases in the mobilehome parks in El Monte since the adoption of the ordinance is limited. It appears that in several of the parks, since Dec. 2012 rents have increased about 10%, compared to a 1.5% increase in the CPI-all items and 7.8% increase in the CPI rent index for the Los Angeles area. In two parks with rents well below the average, the rent increases have been in the range of 30%.

Annual Reporting of Rental Information

A portion of California's local rent stabilization ordinances require annual registration of rents. Regardless of whether or not the City desires to expand the coverage of its rent stabilization ordinance, it is recommended that the City require annual reporting of rents, turnover of tenants, changes in park ownership, information on the park owner purchase and sale prices of mobilehomes, and other information deemed to be relevant for policy-making purposes.

A Park Closure Mitigation Ordinance

Presently, the City Planning Commission is considering drafts of a mobilehome park closure mitigation ordinance.

Under state law, mobilehome park owners must prepare a relocation impact report (RIR) before closing a mobilehome park and local governments can require mitigation measures. At least sixty local governments (cities and counties) have adopted some type of closure mitigation ordinance. Typically, the local ordinances require that an RIR include an analysis of the in-place values of mobilehomes and availability of housing alternatives for displaced mobilehome owners.

The amount of required mitigation varies greatly among these ordinances. Commonly, an adjudicator (the city council, planning, commission, or hearing officer) "may", but is not required, to provide mitigation for lost equity in mobilehomes and increased rents for displaced households. Some ordinances provide that such mitigation is required.

The relocation ordinances commonly provide that displaced mobilehome owners be compensated for the costs of moving their mobilehomes to another mobilehome park. But requirements that the costs of moving mobilehomes must be compensated are only hypothetical. As the RIR's confirm, it is not possible for the displaced households (with very few exceptions) to move their mobilehomes to another mobilehome park in the region.

Some cities require that findings must be made that a mobilehome park closure is consistent with the city's housing element as a condition to approval of the closure.

A majority of the ordinances provide that the RIR and an appraisal of the in-place value of mobilehomes be prepared by a consultant selected by the park owner but approved by the city. A portion of the ordinances provide that the RIR and/or the appraisal of the in-place values of mobilehomes shall be prepared by a consultant selected by the city. The latter approach is strongly recommended in order to result in an independent objective analysis.

Some of the local mitigation ordinances provide that if the vacancy rate in a mobilehome park exceeds a certain level – typically 25% - relocation mitigation must be provided. Otherwise, a closure may be accomplished through attrition of rental spaces without the mitigation required by the local ordinance.

A closure of a mobilehome park with park owned mobilehomes may be considered as substantively comparable to the closure and demolition of an apartment buildings. In such cases, Los Angeles and other cities with apartment rent stabilization, require relocation benefits for such "non-fault" evictions. In Los Angeles, the required relocation payments range from $7,000 to $19,300 with the required amount depending on whether the displaced households are low-income, senior, and/or have disabled persons and the number of persons in the household.

Conversions of Mobilehome Parks to Resident or Non-Profit Ownership

Several hundred out of the five thousand mobilehome parks in the state have been converted to resident or non-profit ownership. Conversions provide mobilehome owners with longterm security in the ownership of their mobilehome and the affordability of the space rent.

Some jurisdictions have provided substantial assistance in conversions, including funding and technical assistance. A few law firms and non-profit housing associations specialize in converting mobilehome parks. Such conversions require special expertise due to the unique circumstances associated with mobilehome ownership, involving a division of the ownership of the land and the dwellings.

Conversions generally require strong resident support and park owner cooperation. Experts indicated that conversions of smaller parks are difficult, due to the high fixed costs of any conversion in terms of the legal and technical effort and arranging the financing and funding mechanisms that are needed.

Consumer Protections

This author received numerous complaints from the residents of one park about unreasonable rental practices including, but not limited to, failures to disclose rent increases that would occur after the initiation of a tenancy, unreasonable charges for repairs to mobilehome spaces, and lease agreements for Spanish speaking tenants that were not in Spanish. Apart from consideration about the types of legislation addressed in this study, further investigation into leasing practices and consideration of a consumer protection ordinance applicable to mobilehome park space rentals may be appropriate. Consumer protection ordinances applicable to apartment rentals, which are geared to address abuses that are not addressed in state law, have been adopted by Los Angeles, San Francisco, Oakland, and some other localities. The possible coverage of these ordinances is subject to the limitation that they cannot govern areas that are "preempted" by state law.

The Author

Kenneth Baar has a Ph.D. in urban planning and is an attorney. He has specialized in consulting, teaching, and researching related to housing and land use economics and policy issues. He has served as consultant to numerous cities in California, and to international organizations including the World Bank, US AID, and Soros Foundation affiliates while consulting in East Europe.

Baar has written and consulted extensively on issues related mobilehome ownership in California. He has been employed by seventeen California jurisdictions to prepare fair return analyses in mobilehome park rent stabilization cases. His publications and testimony in regard to mobilehome park housing issues have been cited in numerous California Supreme Court and Court of Appeal opinions and by appellate courts in five other states.

He has prepared studies of the mobilehome market and mobilehome park space rental market for the cities of Los Angeles, Modesto, Fremont, Montclair, Palmdale, Visalia, Marina, Ceres, and Riverbank.

Baar's resume is attached as Appendix E

Participants in this Study

Silvia Jimenez was responsible for managing the resident and park owner surveys and data analysis. Ms. Jimenez has a master's degree in urban and regional planning from U.C.L.A. and is entering the doctoral program. She has worked extensively as a consultant and researcher for governmental, non-profit, and community based organizations.

Surveys and data entry were undertaken by Aide Aguirre, Virginia Aguirre, Karina Cello, Rafael Gonzalez, Melissa Huerta, Edbar Macedo, Amelia Merino, Susan Pineda, Albert Ramirez, Edward Ramirez Rodrigo Jimenez, Jonathan Ong, Jesia Sardina, Brook Scott, Shayne Smith, and Rafael Vel

Maret Bartlett co-authored the section of this report discussing resident-owned and non-profit-owned mobilehome parks. Ms. Bartlett has over 30 years of experience in redevelopment and affordable housing, including 16 years as the Redevelopment Director for the City of Hayward, before she retired in 2012.

Pat Cypher of Anderson, Brabant (Escondido), an appraisal firm that has been frequently been employed by cities to undertake mobilehome and mobilehome park appraisals, conducted the interviews of managers of mobilehome parks in other cities that were used to describe mobilehome park market conditions in the area.

The author greatly appreciates the assistance of City staff in providing information and assistance that was useful for this study.

Part I - Background

I. Introduction

A. Scope of Report

El Monte contains 33 mobilehome parks with 1,427 spaces for mobilehomes. Mobilehomes constitute approximately 4% of the City's housing stock and a high proportion of its lower cost housing stock. The purpose of this report is to provide information on mobilehome park housing in the City and to set forth options for the City in regards to policies and regulations applicable to mobilehome parks..

The first part of the report provides background information on:

- Mobilehome Parks in El Monte – Characteristics, Rents, Rent Increases, Operating Expenses, Purchase Prices, Trends in Values

  Mobilehome Park Residents and their Investments in Mobilehomes
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- Mobilehome Parks in the Area – Vacant Spaces, Space Rents, Mobilehome Prices, Turnover,

The second part of the report discusses policy issues and options, including:

- Rent Regulations
- An Annual Reporting Requirement for Mobilehome Parks
- Mitigation Requirements for Park Closures,
- Conversions of Mobilehome Parks to Resident or Non-Profit Ownership

Prior to this study, in 2013, the City commissioned a study of mobilehome park housing issues in El Monte which was conducted by Waranzof Associates.[1]

B. The Special Situation of Mobilehome Owners

Mobilehomes (manufactured homes) can provide affordable housing because they are a type of housing that is produced for about one-quarter the cost of conventionally constructed houses. On the other hand, in urban areas the placement of mobilehomes is practically limited to rental spaces in mobilehome parks. As a result, because mobilehome owners rent rather than own the land where their mobilehomes are placed, they have no control over their overall housing costs or their future ability to continue to live in their homes.

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[1] Waranzof Associates, Mobilehome Home Park Baseline Analysis City of El Monte (hereinafter referred to as "Waranzof Report")

In fact, despite the term "mobile" in their name, in urban areas mobilehomes are "immobile" homes. There are few vacant spaces in mobilehome parks in metropolitan areas and the standard practice of mobilehome park owners is not to admit mobilehomes that are more than a few years old.[2]

Since the 1970's, the situation of the owners of mobilehomes in mobilehome parks has been a subject of widespread concern and state and local legislation in California. In response to the special situation of mobilehome park residents, California has adopted a set of landlord-tenant laws which provide special protections for mobilehome park tenants, including requirements that mobilehome owner tenants can only be evicted for just cause and that they have a right to sell their mobilehomes in place, if they meet specified requirements.[3]

In addition, approximately 90 jurisdictions in California have adopted some type of rent control of mobilehome park spaces and at least 60 local governments have adopted ordinances requiring that mobilehome park owners provide for mitigation payments to mobilehome owners who are displaced by a closure of a mobilehome park..

This imbalance in bargaining power between mobilehome park owners and mobilehome owners has been widely recognized in court opinions, as well as legislation.[4]

In 1992, in the course of rejecting a challenge to Escondido's mobilehome park rent stabilization, the U.S. Supreme Court noted the immobile nature of mobilehomes.[5]

In 2001, the California Supreme Court reiterated the conclusions of the U.S. Supreme Court and explained:

> **BACKGROUND:THE MOBILEHOME OWNER/MOBILEHOME PARK OWNER RELATIONSHIP**
>
> **… some background on the unique situation of the mobilehome owner in his or her relationship to the mobilehome park owner may be useful. "The term 'mobile home' is somewhat misleading. Mobile homes are largely**

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[2] For historical background see "The Right to Sell the 'Im'mobile Manufactured Home in Its Rent Controlled Space in the 'Im'mobile Home Park: Valid Regulation or Unconstitutional Taking?", *Urban Lawyer* Vol. 24, 107-171 (Winter 1992, American Bar Ass'n) and the numerous sources cited in that article.

[3] California Civil Code 798.

[4] In the study of mobilehome issues that was prepared for the City in 2013, the consultants who had worked extensively on conventional real estate issues noted:

> ***We were surprised to learn how "disconnected" the respondents [park owners] were from any immediate sense of having competition or operating their MHPs in a competitive market place. There was no indication that owners or managers devoted much time or thought to questions of competitiveness, attracting tenants, retaining tenants, or the need of their MHP to remain competitive in order to maintain or attract tenants.***
>
> ***In retrospect, these attitudes and lack of recognition of competitive market conditions are entirely reasonable, since the supply of MHP spaces is virtually fixed, and the demand for low cost housing is so strong.As real estate analysts we had to adjust our pre-conception that owners and managers of MHP would perceive a competitive marketplace like the owners and managers of apartment housing do.***

Waranzof report, *supra* note 1, p. 4-4

[5] *Yee v. Escondido*, 503 U.S. 519, 523 (1992)

immobile as a practical matter, because the cost of moving one is often a significant fraction of the value of the mobile home itself. They are generally placed permanently in parks; once in place, only about 1 in every 100 mobile homes is ever moved. [Citation omitted.] A mobile home owner typically rents a plot of land, called a 'pad,' from the owner of a mobile home park. The park owner provides private roads within the park, common facilities such as washing machines or a swimming pool, and often utilities. The mobile home owner often invests in site-specific improvements such as a driveway, steps, walkways, porches, or landscaping. When the mobile home owner wishes to move, the mobile home is usually sold in place, and the purchaser continues to rent the pad on which the mobile home is located." (*Yee v. Escondido* (1992) 503 U.S. 519, 523, 112 S.Ct. 1522, 118 L.Ed.2d 153.) Thus, unlike the usual tenant, the mobilehome owner generally makes a substantial investment in the home and its appurtenances--typically a greater investment in his or her space than the mobilehome park owner. [cite omitted] The immobility of the mobilehome, the investment of the mobilehome owner, and restriction on mobilehome spaces, has sometimes led to what has been perceived as an economic imbalance of power in favor of mobilehome park owners.[6]

In 1994, a federal district court in California stated:

Mobile homes, despite their name, are not really mobile. Once placed in a park few are moved. This is principally due to the cost of moving a coach which is often equal to or greater than the value of the coach itself. Also, many mobile home parks will not accept older coaches so that after a time, the coach may be rendered effectively immobile... the park owner, absent regulation, theoretically has the power to exact a premium from the tenant who, as a practical matter, cannot move the coach.[7]

In 2010, an *en banc* panel of the Ninth Federal Circuit Court of Appeal (Western States and Pacific Region) declared that park owners have mobilehome owners "over a barrel.":

Because the owner of the mobile home cannot readily move it to get a lower rent, the owner of the land has the owner of the mobile home over a barrel.[8]

Courts in other states have reached similar conclusions. As early as 1989, the Florida Supreme Court concluded that mobilehome owners face an "absence of meaningful choice" and a lack of bargaining power which the Court characterized as unconscionable.

Where a rent increase by a park owner is a unilateral act, imposed across the board on all tenants and imposed after the initial rental agreement has been entered into, park residents have little choice but to accept the increase. They must accept it or, in many cases, sell their homes or undertake the considerable expense and burden of uprooting and moving. The "absence of meaningful choice" for these residents, who find the rent increased after their

[6] *Galland v. Clovis*, 24 Cal.4th. 1003, 1009-1010 (2001)
[7] *Adamson Companies v. City of Malibu*, 854 F.Supp. 1476, 1481 (1994, U.S.D.C. Central Dist. Cal.)
[8] *Guggenheim v. Goleta,* 638 F.3d. 1111, 1114 (2010)

mobile homes have become affixed to the land, serves to meet the class action requirement of procedural unconscionability.[9]

C. Research and Data Sources

In order to obtain information about mobilehome park tenancies and about mobilehome park residents, surveys of El Monte mobilehome park residents and of park owners and managers were conduction. In addition, a survey of mobilehome parks in neighboring cities was conducted. In addition information was obtained from various real estate industry data sources and relocation impact reports that were submitted to cities in the Los Angeles area.

Three hundred and seventy-seven residents responded to the resident survey. Fourteen out of the thirty-three mobilehome parks provided responses to the manager/park owner survey.[10] Managers of fifty parks in neighboring cities provided information about the mobilehome space rentals in their parks.

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[9] *Lanca Homeowners, Inc. v. Lantana Cascade of Palm Beach, Ltd.*, 541 So. 2d 1121, 1124 (Fla.), cert. denied, 493 U.S. 964 (1989)

[10] The survey was sent to park managers that could be located and to the park owners. Numerous followup phone calls were made to park managers.

II. Mobilehome Parks in El Monte – Characteristics, Space Rents, Operating Expenses, Purchase Prices, Trends in Values

A. Characteristics

1. Distribution of Park Spaces by Size of Park

As indicated, El Monte has 33 mobilehome parks with a total of 1,427 mobilehome spaces.

The mobilehome parks in the City are very diverse in terms of size and facilities.

About half of the mobilehome spaces in the City are in small mobilehome parks mainly containing single-wide mobilehomes and RV's (recreational vehicles) which serve as dwellings. 398 spaces are located in 15 mobilehome parks with between 20 and 44 spaces. 174 spaces are located in 13 mobilehome parks with less than 20 spaces.

A third group of four mobilehome parks with between 53 and 93 spaces contains 259 spaces.

The second largest park in El Monte (Daleview), is a senior citizen park with 175 spaces, all with doublewide mobilehomes.

One park, Brookside, with large mobilehomes and an extensive amount of land (42 acres) has 421 mobilehome spaces.

El Monte Mobilehome Parks
Distribution of Spaces by Size of Park

Spaces in Mobilehome Park	No. of Mobilehome Parks	No. of Spaces
0-9	2	11
10-19	11	163
20-44	15	398
53-93	4	259
175	1	175
421	1	421
Total	33	1427

2. Ages of Mobilehome Parks[11]

All of the mobilehome parks in the City were constructed before 1980 and only one was constructed after 1970. Half of the mobilehome parks were constructed before 1950. The parks constructed before 1950 have an average size of 20 spaces.

3. Senior Parks

El Monte has two senior-only parks – Daleview MHP (175 spaces) and Elrovia MHP (53 spaces)

4. Mobilehome Parks with Mobilehomes Owned by the Parkowner

In seven of the mobilehome parks with a total of 155 mobilehome spaces the park owner owns all of the mobilehomes (or all but one of the mobilehomes) as well as the spaces. Therefore, those parks do not have a standard distinguishing characteristic of mobilehome parks, split ownership of the underlying land and the homes on the land. Rentals of park owned mobilehomes are comparable to apartment rentals in the sense that the park owner is providing and maintaining the structure as well as the land.

[11] The data on the construction dates of the mobilehome parks is based on information in "Property Reports" published by DataQuick a real estate data service, and Loopnet, a real estate listing service. Data was not available for the construction dates of all of the parks.

MOBILEHOME PARKS IN EL MONTE

	Mobilehome Park	Address	Spaces	All MH Owned by Parkowner	Area Acres	Year Built	Senior Park
1	Acorn Trailer Park	2818 Durfee Avenue	20	x	0.56	1947	
2	Barnhouse Trailer Court	2731 Mountain View Road	7				
3	Bel-Aire MH Lodge	2636 Lexington Ave	34		1.96	1957	
4	Brookside Mobile CC	12700 Elliot Ave.	421		42	1958 & 1968	
5	Capri Gardens	3541 Baldwin Ave	57		3.95	1959	
6	Daleview Mobile Est	4800 Daleview Ave	175		13.12	1969	x
7	Edwards Trailer Court	2621 Nevada Ave	13		0.44	1948	
8	El Ranchito MHP	11636 Ranchito St.	20		0.87	1967	
9	Elrovia Trailer Park	4849 Peck Road	53		4.7	1950	x
10	Felipe Trailer Park	12328 Felipe St.	11	x			
11	Glen Elm Mobile Homes	11017-33 Dodson St.	34		1.83	1938	
12	Hide A Way	12224 Magnolia	25		0.76	1950	
13	J & E Trailer Park	2150 Durfee Ave	16		0.64	1944	
14	Lamplighter Trailer Park	2662 Mountain View Rd.	29		0.94	1948 & 1958	
15	Magnolia Trailer Park	11949 Magnolia Ave.	39	x	0.92	1946	
16	Manor	3335 Maxson Rd.	56		2.63	1946	
17	Midget Trailer Park	9903 Garvey Ave.	11	x			
18	Mountain View Trailer Court	2431 Mountain View Rd.	18		0.37	1944	
19	N & V Trailer Park	10118 Garvey Ave.	19		0.64		
20	Pine Mobile Park	2655 Cogswell Rd.	4		0.43	1974	
21	Rainbow Mobile Home Park	10124 Garvey Ave.	15		0.86		
22	Rolling Homes Trailer Park	2606 Santa Anita	19		0.69	1958	
23	Santa Fe Mobile Homes	10484 Valley Blvd.	93		6.34	1979	
24	Shadeair Trailer Park	12239 Magnolia Ave.	32	x	1	1938	
25	Shady Lane Trlr Pk	2826 Meeker Ave.	17		0.5	1938	
26	Shady Lane Mobile Park	2532 Mountain View	20		0.37	1947	
27	Skyline Mobile Estates	12201 Garvey Ave.	33		1.87		
28	The Garvey Trailer Park	12214 Garvey Ave.	13		0.71		
29	The Village	2638 Mountain View Rd.	23	x	1.19	1946	
30	Toktagodi Farms 1	10107 Garvey Ave.	30		0.96	1946	
31	Vagabond Villa Park	10037 Garvey Ave.	38		1.32	1944	
32	Victory Trailer Park	11208 Garvey Ave.	11				
33	Wheeler's Trailer Park	2835 Consol St.	21	x	0.47	1948	

Sources of data on acreage and construction date: real estate industry data services property profiles

5. Vacant Spaces in Mobilehome Parks

The one very large park in the City (Brookside) with 421 spaces has about 227 unoccupied spaces, including 168 spaces with no mobilehome and 59 spaces with a vacant mobilehome.[12] This type of condition is virtually unprecedented condition among mobilehome parks in a region where there is a shortage of mobilehome park spaces and zero or nearly zero vacancy rates in mobilehome parks are standard, except during closures or instances in which space rents have been raised to extraordinary levels.

Responses to the City's survey provided by the managers or park owners of fourteen mobilehome parks in El Monte indicated that ten out of the 512 spaces in the respondents parks were vacant, a vacancy rate of 2%. Eleven of those fourteen parks, including the second and third largest mobilehome parks in the City (Daleview MHP – 175 spaces and Santa Fe MHP – 94 spaces), did not have any vacant spaces.

(As discussed in Section IV of this report) a survey of mobilehome parks in cities neighboring El Monte indicated that there were 80 vacant spaces in 50 mobilehome parks with 5894 spaces, a vacancy rate of 1.36%. This pattern is in keeping with the trends in urbanized areas of California.

B. Mobilehome Park Space Rents – Spaces with Resident Owned Mobilehomes

Information on average space rents in sixteen mobilehome parks was obtained from the combination of the responses to the survey of park owners and managers and from responses to the resident survey.

Average space rents in mobilehome parks ranged from $275 to $750, with the exception of Brookside MHP. Three of the parks had average space rents ranging from $275 to $399; three had an average between $443and $477; five had an average ranging from $500 to $575. In the second largest park in the City (Daleview, 175 spaces) the average rent is $700 and in the third largest park (Santa Fe, 94 spaces) the average rent is $750. Daleview has more facilities than nearly all of the other parks in the City, including a pool.

The residents of Brookside reported average rents of $1,256, with rent levels ranging from $950 to $1,500. This rent level is a few hundred dollars higher than the rent levels reported by any of the 50 mobilehome parks in the area which were surveyed as a part of this study, as well as any of the mobilehome parks in the City.

The following chart sets forth the space rents for seventeen of the mobilehome parks in the City.

[12] This calculation is based on a visual survey by the interviewers for this project.

Mobilehome Park Space Rents – January 2015
(19 out of 33 mobilehome parks in the City)*

Park	*Spaces*	Rent				Data Source
		Avg.	Low	High	New Tenants	
Barnhouse Trailer Ct.	*7*	443	430	460	460	Park Owner
Brookside MHP	*421*	1243				Resident Survey
Capri Gardens	*57*	550				Resident Survey
Daleview MH Estates	*175*	700	700	750	750	Park Owner
Edwards Trailer Ct.	*13*	445	380	495	465	ParkOwner
El Rovia	*53*	325				
Glen Elm Comm Park	*34*	525	500	545	545	Park Owner
Hide A Way		575				Resident Survey
MountainView Trailer	*17*	275				Park Owner
N & V Trailer Park	*7*	600		650	700	Park Owner
Rainbow MHP	*15*	500	500	550		Park Owner
Rolling Homes TP	*19*	450	450	450	450	Park Owner
Santa Fe MHP	*94*	750	550	800	800	Park Owner
Shady Lane Trailer Pk	*20*	375	350	400		Park Owner
Skyview Mobile Estates	*32*	477		570		Park Owner
Toktagodi Farms MHP	*30*	550				Resident Survey
Vagabond Villa	*38*	550	550	550	575	Park Owner
Parks with All Mobilehomes Owned by Park Owner						
Acorn Trailer Park	*20*	500	450	500		Park Owner
Wheeler Trailer Park	*21**	550	450	700	900-1400	Park Owner

Data is limited to the fourteen mobilehome parks in which the Park Owner or Manager responded to the City survey and four parks in which the responses to the Resident Survey indicated a uniform or nearly uniform rental level or provided adequate data to estimate an average.

C. Rent Increases – Mobilehome Park Spaces with Resident Owned Mobilehomes

Rent Increases from April 2012 to January 2015

As noted, all but two parks are exempted from coverage of the ordinance. As of the date of the submission of this report, information on rent increases since April 2012 is limited.

Using a combination of the eighteen responses received by the City from its April 2012 of park managers, the fourteen park manager and owner responses to the current survey, and the rent information in the responses to the resident survey provides a basis for estimating the rent increases from April 2012 to January 2015 in nine of the mobilehome parks.

In two mobilehome parks (Vagabond Villa, 38 spaces and Rolling Homes Trailer Park 19 spaces) the rents were not increased.

In the Santa Fe MHP (94 spaces) it appears that average rents have increased from $675 to $750, an increase of 11%. In Capri Gardens MHP (57 spaces), average rents increased from $500 to $550.[13] In Toktagodi Farms MHP (30 spaces) rents increased from $510 to $550. The increases in these parks of about 10%, compares with an increase in the CPI of 1.5% and an increase of 7.8% in the CPI index – rent of primary residence.[14]

In one park (Acorn Trailer Park, 20 spaces) rents increased from $400 to $500.

In two parks, with average rents well below the Citywide average rents have increased about 32%. In El Rovia MHP (53 spaces), the average rents for spaces with singlewides increased from $245 to $325. In Mountain View Trailer Park (17 spaces) average rents increased from $250 to $335.

The average rent in Brookside mobilehome park did not increase from April 2012 to January 2015. However, as noted the average rents have been at an extraordinary level. Since 2000 rents in Brookside have increased by about 100% (from an average of about $625) compared to an increase in the CPI of 43% and an increase in the CPI residential rent index of 72.6% during this period. Since 2006 average rents have increased about 48% compared to an increase in the CPI-all items of 15.2% and an increase in the CPI residential rent index of 22.7% during this period.[15]

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13 A majority of the respondents to the Resident Survey indicated that their rent was $550.

14 The CPI all-items index for the Los Angeles, Riverside, Orange County area (Series Id, CUURA421SA) annual average increased from 236.866 in April 2012 to 240.475 in Dec. 2014.

The CPI rent of primary residence index (Series Id - CUURA421SEHA) increased from 287.750 in April 2012 to 310.327 in Dec. 2014.

15 The CPI all-items index for the Los Angeles, Riverside, Orange County area annual average increased from 210.4 in 2006 to 242.43 in 2014. The CPI rent of primary residence index annual average increased from 248.5 in 2006 to 304.96 in 2014. The CPI all-items index for the Los Angeles, Riverside, Orange County area annual average increased from 171.6 in 2000 to 242.43 in 2014. The CPI rent of primary residence index annual average increased from 176.8 in 2000 to 304.96 in 2014.

Projections of average rents for 2000 and 2006 are projected based on the survey responses of residents who moved in 2000 and 2006.

D. Rents of Park Owned Mobilehomes

Data on the rents of 84 park owned mobilehomes was obtained from the resident survey. About half of the rents were between $500 and $700. About a quarter of the rents were between $700 and $1,000.

E. Mobilehome Park Operating Expenses

There is no systematic source of data on average operating costs of mobilehome parks in California. However, a combination of mobilehome park owner industry commentaries, estimates of park owner experts, data from mobilehome park sales reports, appraisal reports, and fair return applications in jurisdictions with mobilehome park rent stabilization ordinances provide a substantial source of operating cost data. Consideration of the overall industry data is subject to the qualification that a most of the data derived from parks that contain 50 or more spaces. Smaller parks may or may not realize the same economies of scale. At the same time, the smaller parks generally offer far less amenities.

The various sources of data indicate that mobilehome park operating costs are generally in the range of 30% to 40% of space rental income.[16] (However, a portion of these costs - water, sewer, and refuse - are commonly passed through to the residents in the form of a separate charge apart from the space rent.)

This author was able to locate data on operating costs of five mobilehome parks in El Monte, with between 20 and 40 spaces, which was included in real estate for sale listings between 2002 and 2007. Four of the parks had operating expense ratios ranging from 25% to 35% and one park had an operating cost ratio of 53%.

Out of the fourteen mobilehome parks providing responses to the park owner/manager survey about half indicated there is no additional charge above the space rent for water, sewer, and/or trash charges.

[16] In 2011, one California appraiser, who has specialized in mobilehome park appraisals for many years and has frequently appeared on behalf of mobilehome park owners in rent stabilization hearings (John Neet) prepared projections of mobilehome park operating expense levels from reports on 60 mobilehome parks in his files. He projected that monthly operating expenses (excluding utilities) were $148/space/month. (Neet's actual projections were in annual amounts.) Appraisal Report submitted with Rancho de Calistoga Rent Increase Application (Calistoga 2011).

A summary of this data and other data on mobilehome park operating costs is included in this author's report for the City of Los Angeles. Baar, "The Economics of Mobilehome Ownership and Mobilehome Park Ownership in the City of Los Angeles and a Comparison of Local Regulations of Mobilehome Park Space Rents" (May 2011, commissioned by the City of Los Angeles)(posted on the webpage of Los Angeles Housing Department)

F. Mobilehome Park Values

1. Original Investments in Developing Parks

In the 1960's and early 1970's, in outer sections of urban areas, land costs were relatively low and mobilehome park development commonly served as the most profitable use of land The 1970 Housing Element of Los Angeles County projected average land costs in the range of $7,000 for single family dwellings. Mobilehome parks could be developed at higher densities than single family houses -typically eight mobilehome spaces per acre.

Starting in the second half of the 1970's land values for single family dwellings increased dramatically and as urban peripheries densified neighborhood opposition to permits for the development of mobilehome parks became standard. By the early 1980's mobilehome park construction had come to a halt in metropolitan areas in California.

2. Trends in Park Values

There is no systematic source of information on trends in the values of Los Angeles area mobilehome parks. However, because values are a function of rents and the net operating income from mobilehome parks, trends in values can be estimated, based on trends in rents, assumptions using typical operating cost ratios, and data on prevailing capitalization rates.

In the first half of the 1970's development costs of mobilehome parks were in the range of $3,000 to $6,000 per space. By the mid-1980's average values were in the range of $20,000 per space.[17]

Mobilehome park values and (the values of apartment rental buildings) have increased substantially during the last decade. While increases in income are a central force behind the increases in value, the decline in capitalization rates has also played a central role. [18]

A substantial part of the appreciation in income producing real estate has been attributable to a decline in capitalization rates. The decline in mortgage interest rates and interest rates available from alternate investments (bank deposits, and bonds) has played a major role in the

[17] In 1984, the average space rent in Los Angeles was $248. Using a typical operating expense ratio of 40%, the typical operating expense level would have been about $100/space/month and the typical net operating income would have been $150/space/month. Using the prevailing capitalization rate of that time, the average value per space would have been about $20,000.

[18] The capitalization rate is the ratio of net operating income to value. For example, if the capitalization rate is 6%, properties with a net operating income of $60,000 will be worth ($60,000 /.06) or $1,000,000. If the capitalization rate is 9%, the same income stream would be worth $666,666 ($60,000/.09) Over time, capitalization rates have widely varied, depending on mortgage interest rates (the cost of capital), rates of return from alternate investments, and expectations about appreciation. In the past five years, prevailing capitalization rates have been in the range of 5 to 7%, compared with a range of 7.5% to 10% during the prior fifteen year period.

appreciation, by leading to a decline in the capitalization rates .from a level of 8 to 9% from 1990 to 2002 to a level of 5 to 6% since 2005.

There is not sufficient available data and annual sales of parks are not of an adequate volume to project trends in mobilehome park values within the Los Angeles metropolitan area.

Reports covering parks of 50 or more spaces within the state indicate that average park values per space declined from about $32,000 in the early 1990's to a level of about $25,000 in the mid-1990's, and then increased to about $50,000 in the last decade. Since 2000, there has been a steep increase in mobilehome park values due to the decline in capitalization rates for income producing property.

Because values are a function of rents and the net operating income from mobilehome parks, trends in values can be estimated, based on trends in rents, assumptions using typical operating cost ratios, and data on prevailing capitalization rates.

3. Data on the Purchase Prices and Estimates of Values of Mobilehome Parks in El Monte[19]

About half of the mobilehome parks in the City were purchased since 2000. Some of sales prices are listed by real estate data services. Four parks, with between 20 and 44 spaces, had purchase prices ranging from $30,000 to $39,000 per space between 2002 and 2008. In 2006 park on Mountain View (The Village MHP, 23 spaces) sold for $78,261 per space.

In 2011 a small park on Garvey (Rainbow MHP, 15 spaces) sold for $60,000 per space. In 2013, Santa Fe MHP (93 spaces) sold for $47,217 per space.

Using a projected space rent of $600, which is typical in the City and assuming that average operating expenses (excluding reimbursed expenses) are about $200 space/month (33% of space rents), in turn monthly net operating income/space/month would be $400 and annual net operating income per space would be $4,800 (12 months x $400). Using prevailing capitalization rates, market values per space would be $68,500 to $80,000. ($4,800 /.07 or $4,800 /.06)

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[19] The data on sales dates and prices of mobilehome parks is based on information in "Property Reports" published by DataQuick a real estate data service, and Loopnet, a real estate listing service.

III. Mobilehome Park Residents – Length of Occupancy, Household Characteristics, and Investments in Mobilehomes

A. Description of Resident Survey -

As a part of this study, a survey of residents was undertaken.[20] A total of 377 responses were received. In all of the mobilehome parks except Brookside, mostly bilingual (English and Spanish speaking) surveyors handed the survey forms to residents and then returned within a short period (one hour or less) in order to pick them up. The survey forms and a cover letter explaining the purpose of the survey were in English and Spanish. (See covers letter and survey forms in *Appendix D*. The top line on the survey form and the cover letter noted that the survey was anonymous and that the responses should not include the name or space number of the respondent. About half of the returned survey questionnaires were on the Spanish language survey forms.

In the case of Brookside the surveys were mailed with return envelopes with stamps. Resident representatives asked the residents to cooperate by completing and returning the survey.[21]

In line with the budget limitations for the survey only one effort was made to contact each household and a few of the very small parks (under ten spaces) were not surveyed.

The surveyors reported that a substantial portion of the residents appeared to be afraid to respond to the survey. Some residents were afraid that a response would be construed as a sign of disapproval of the park management. In two cases the park manager or owner told the surveyors that they were not permitted to enter the park and that the surveyors needed permission to enter because it was private property..

The data that is analyzed in this subsection does not include the responses from the residents of Brookside due to the unusual situation in Brookside in terms of rents, departures from the park, and the extraordinary level of vacancies..

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[20] The 2012 study on mobilehome parks for the City contained the only available data about resident characteristics. However, that data was based on the responses obtained in the American Community Survey (ACS). The survey sample for the ACS is a small percentage of the population. Therefore, for a subgroup which is only 4% of all households, such as mobilehome occupants, the sample size is exceptionally small. Consequently, the "standard error" for such samples is substantial.

[21] In other cities, this author has conducted mail surveys resulting in about 50% response rates. However, in those cities the mobilehome parks were larger and contained resident leaders. The residents in the other cities were often highly motivated to provide responses because proposals to adopt rent stabilization were pending before the City Council.

Data on Responses from All Mobilehome Parks Except Brookside

A. Occupancies and Household Characteristics

1. Length of Occupancy

Mobilehome Owners

On the average mobilehome owners are long term residents More than half have resided in their mobilehomes over ten years and three-quarters have resided in their homes over five years.

Move-In Year
Mobilehome Owner Households
(n=175)

Move in Year	Pct. of Households
Before 1990	6.3%
1990-1994	8.6%
1995-1999	10.3%
2000-2004	29.1%
2005-2009	23.4%
2010-2014	22.3%

Mobilehome Renters

The turnover rate was higher for the households that rent their mobilehomes, 37% had moved in within the last three years and half had moved in within the past five years.

2. Household Size

Household Size
Mobilehome Owner Households
(n=182)

Household Size	Pct. of Households
1	23.1%
2	35.7%
3 or 4	25.8%
5 or 6	14.8%
7	0.5%

3. Household Income

The survey form requested the total income of households including “social security, pension, interest, dividends, and any public assistance.” The low level of household incomes that the respondents reported– 48% under $15,000 and 14.3% between $15,000 and $19,999 indicates that for a majority of the mobilehome park households apartment rent/household income ratios would be over 50% and not affordable by ordinary rent/income affordability standards.

Household Income
Mobilehome Owner Households
(n=175)

Annual Household Income	Pct. of Households
Under 15,000	48.0%
15,000-19,999	14.3%
20,000-29,999	21.7%
30,000-39,999	9.7%
40,000 or more	6.3%

B. Sizes of Mobilehomes and Residents Investments in their Mobilehomes

1. Sizes of Mobilehome – Singlewide and Doublewide

63.9% of the survey respondants live in singlewide mobilehomes and 35.4% live in doublewide mobilehomes. Among mobilehome owner respondents, the 58% live in singlewide mobilehomes. 76% of the respondents that rent the mobilehomes they reside in live singlewide mobilehomes.

If Daleview is excluded, the proportion of households living in single-wide mobilehomes is higher.

2. Mobilehome Purchase Price and Trends in Values

Information on purchase prices of mobilehomes was obtained through a combination of the residents survey responses and sales reports that are required by the California Department of Housing and Community Development (HCD).The sales information that is reported to HCD is compiled by private companies which in turn sell the data (mainly to mobilehome appraisers).

Only a portion of the mobilehome sales in the City are reported to HCD because the reporting requirement is not applicable to older single wide mobilehomes. The balance of mobilehome and RV sales are reported to the Department of Motor Vehicles which does not provide information on sales prices.

The resident survey included inquiries about the age of their mobilehome and the purchase price. Seventy-seven percent of the respondents reported that their mobilehome was manufactured before 1980.[22]

A majority of the respondents reported that they had purchased their mobilehomes for under $15,000. Eighty percent (80%) of the singlewide mobilehomes were purchased for $15,000 or less. On the other hand about eighty percent (80%) of the doublewides cost more than $15,000 and half were purchased for $35,000 or more.

Mobilehome Purchase Prices
(Reported in Resident Survey)
(n=162)

Price Range	Pct. Households
$0-4,999	20.4%
$5,000-9,999	22.8%
$10,000-14,999	14.2%
$15,000-19,999	9.3%
$20,000-24,999	4.3%
$25,000-29,999	3.7%
$30,000-34,999	3.7%
$35,000-39,999	4.3%
$40,000-44,999	3.7%
$45,000-49,999	2.5%
$50,000-54,999	1.9%
$55,000-59,999	3.7%
$60,000-99,999	2.5%
>$100,000	3.1%

Seventy-four percent of the households reported that they paid all cash for their mobilehomes.

The typical pattern in mobilehome values in the coastal regions of California is one of maintaining value or appreciation. There is a common (intuitive) view that mobilehomes depreciate with age based on the common view that goods lose value as they get older. However, the increasing costs of housing alternatives (the costs of purchasing new homes and renting apartments) raises the value of existing mobilehomes. Critically, the value of mobilehomes in mobilehome parks includes a placement value because there is a shortage of mobilehome spaces in the coastal regions of California. Analysis of mobilehome sale prices in Los Angeles County prepared for a study for the Los Angeles Housing Department in 2011 reveals that trends in mobilehomes values have reflected overall trends in housing values (increasing from 2000 to 2008, then decreasing for a few years, and then increasing in recent years).[23]

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[22] 36% of the survey responses did not include an answer to this question. The 77% ratio is for the surveys that included a response to this question.

[23] See Baar, "The Economics of Mobilehome Ownership and Mobilehome Park Ownership in the City of Los Angeles and a Comparison of Local Regulations of Mobilehome Park Space Rents" (May 2011, commissioned by the City of Los Angeles)(posted on the webpage of Los Angeles Housing Department)

3. Trends in Values of Mobilehomes in El Monte

Most of the sales in El Monte that have been recorded in sales reports submitted to HCD involve sales in Brookside and Daleview mobilehome parks.

Daleview

In Daleview, from 1995 through 1999 the average sale price was $15,132; from 2000 to 2004 the average sales price was $45,942; from 2005 though 2008 the average sales price was $57,642. Since then, the average sale price has been about $50,000. In 2014, the average sale price surged to $63,334. The data on the foregoing averages are subject to the qualification that annual sales volume is small, ranging from 8 to 18 sales, and, therefore should be seen as providing a rough overview.

Brookside

In Brookside from 1997 through 2007 annual averages for mobilehome sale prices ranged from $19,313 to $46,998. In six of those years, the annual average was over $30,000. In all but one of those years, more than 20 sales were reported. Since 2008 the number of sales reported to HCD has dropped to under $20,000, with ten or fewer sales reported in three out of six years. However, the vast number of vacant spaces and great number of empty mobilehomes in the park indicates that the in-place value of the resident owned mobilehomes in the park dropped to virtually zero. Surveyors were told that the vacant spaces and empty mobilehomes represented situations in which the mobilehome owner gave away their home or sold it for a nominal price (e.g. $1,000) to a business that would haul the mobilehome away.

If the rent levels in the park reflected the average for mobilehome parks with a comparable amount of land per space and there were no serious issues associated with park residency, values for the doublewide mobilehomes would be in the range of $30,000 to $100,000, depending on the age, size, and condition of the mobilehome.

Assuming that under a normal rent scenario the average mobilehome values in Brookside would be at least would be comparable to the values of the mobilehomes in Daleview MHP of about $50,000, large losses in equity have been experienced by the mobilehome owners in Brookside as a result of the extraordinary rents. Many either have left the mobilehome park in the last five years without being able to sell their mobilehome or if they are still in the park have experienced a partial or total loss in the value of their mobilehome due to the extraordinarily high rents in the park. While the amount of loss of value of the mobilehomes can only be roughly estimated, the overall magnitude is in the range tens of millions of dollars. For example if the average loss in mobilehome value per space is $50,000, the overall loss is over $21 million (421 spaces x $50,000). .

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Responses by Residents of Brookside Mobilehome Park to the Resident Survey

62 residents of Brookside Mobilehome Park responded to the resident survey. This size sample is not adequate project precise percentages. An overall projection of the rents and nature of the occupancies in the park would require information about the households that have departed. The characteristics of the respondent households in Brookside appeared to be comparable to those in the other parks. However, one notable difference emerged between the respondents from Brookside and the residents from other mobilehome parks. The average household size was five. In comparison in the rest of the City, only 13% of the respondents households had more than four persons.

IV. Mobilehome Parks in the Area – Vacant Spaces, Space Rents, Turnover

As indicated, the mobilehome park space market in the area is characterized by a lack of vacant spaces to move mobilehomes and a low rate of turnover in occupancies. Furthermore, mobilehome parks generally will not accept older mobilehomes. Therefore, the reality is that if a mobilehome owner in El Monte desires to move into another mobilehome park, it would be necessary to purchase a mobilehome already in that park.

A. Findings in Relocation Impact Reports (RIR)

Under state law, relocation impact reports (RIR) must be prepared before mobilehome parks can be closed in order to determine the availability and cost of housing alternatives for displaced households. RIR's prepared in conjunction with park closures in the Los Angeles area in the past six years note a virtual absence of spaces where existing mobilehomes can be moved.

An RIR prepared for a park closing in 2009 in an unincorporated area of Los Angeles, in the San Fernando area) reported that the rate of vacant spaces in 52 parks with 6,962 spaces within a 20 mile area was under 1%.[24]

A relocation impact report associated with the closing of a mobilehome park in Thousand Oaks in 2009 noted the unavailability of spaces where mobilehomes can be moved within the four county area. It states that:

> **There are very few, if any, parks in Ventura, Santa Barbara, Los Angeles, Orange, and San Diego Counties that will accept used homes onto their spaces. The housing market in these counties has produced a condition where spaces are at a premium, and older homes must be purchased with the intent of removing them from the space in order to accomodate the installation of a new home. In this circumstance, the parks will not accept new homes.**[25]

In 2010, an RIR commissioned by the City of Carson noted that "It is the experience of OPC [Overland Pacific] that any mobilehomes older than 10 years old will not be able to find a park to move into."[26]

The RIR for the City of Carson reported that 123 mobilehome parks within 50 miles of Carson which had a total of 18,192 mobilehome spaces had 76 vacant spaces <u>available for rent</u>, a vacancy rate of 0.4%.[27] Excluding Brookside, which had 30 vacant spaces, there were only 46 vacant spaces available for rent among the 122 other mobilehome parks with a vacancy rate of 0.25% (one for every 400 spaces.)

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[24] Sky Terrace Mobilehome Park Closure Impact Report (Overland, Pacific, & Cutler, Long Beach, CA (2009))
[25] Mobilehome Park Closure Impact Report, for Conejo Mobile Home Park, Newbury Park, California (Star Management, Santa Ana) (The park is within the City limits of Thousand Oaks and the report is on the City's web page.)
[26] Overland Pacific, Relocation Impact Report, Dominguez Trailer Park, p.4 (2010, prepared for the City of Carson).
[27] *Id.*, Exhibit D. (The totals were tabulated by this author based on the data in Exhibit D)

In 2014, an RIR was submitted by a park owner for a proposed closure of a mobilehome park in Glendora (Magnolia Mobilehome Park).[28] That report indicated that there were 77 vacant mobilehome spaces in 18 mobilehome parks with a total of 2,273 spaces.[29] Forty-eight (48) of those spaces were in parks in which mobilehomes over ten years old would not be admitted. Out of those 48 spaces, 28 were in mobilehome parks with monthly space rents over $800 per month.

Also. in 2014 an RIR was submitted to the City of El Monte for a proposed closure of the Wheeler Trailer Park.[30] The Park is located at 2829 Consol St. (about half a block south of Garvey Avenue) The Park has 21 spaces; 20 of the mobilehomes in the park are owned by the Park Owner.

In regards to moving mobilehomes, the RIR reports that usually mobilehomes over ten years old would not be accepted:

- Generally accepted practices and regulations among mobile home park operators allow homes to be moved into the park if they are less than five years old and deny homes that are more than ten years old. While some park operators may allow homes in excess of 10 years, they generally are not accepted and would have to be approved on an individual basis.[31]

In addition, because all but one of the households in Wheeler Trailer Park is renting the mobilehome they are residing in, the RIR considers the possibilities of renting a mobilehome in another park. The authors' survey of thirty parks within 15 miles of the park located only one or two mobilehomes available for rent.

B. Survey of Mobilehome Park Market in Adjacent Cities

A survey of 50 mobilehome parks in the San Gabriel Valley with 5,894 spaces was conducted for the purpose of preparing this report. The survey sample included a range of parks in terms of size and amenities. Twenty eight of the parks had less than one hundred spaces, with a total of 1597 spaces. Eleven of the parks had less than fifty spaces, with a total of 402 spaces.

The survey confirmed the commonly accepted view that if a mobilehome park closed in El Monte with very few exceptions the mobilehome owners in that park would not be able to move their mobilehome to another mobilehome park in the area. If the displaced residents wanted to move to another mobilehome park the only available alternative would be to purchase a mobilehome in another park.

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[28] Report prepared by Paragon Partners Ltd, March 10, 2014.

[29] The tabulation of the total number of spaces in the mobilehome parks and the subsequent tabulations in the discussion of the Magnolia RIR were made by this author based on the information from the report and HCD data on the number of mobilehome spaces in each park.

[30] Overland, Pacific, & Cutler, "Relocation Impact Report El Monte 2 – Tyler and Garvey Project (June 12, 2014)

[31] *Id*. at 8

The survey revealed that:

1. most of the mobilehome parks do not have any vacant spaces or have only one vacant space,
2. unlike the parks in El Monte, the parks in the survey sample had very few park owned mobilehomes.
3. annual turnover (in-place sales) of mobilehomes was under 10% per year in most mobilehome parks and is commonly under 5%,

Vacant Spaces

In 25 parks there were no vacant spaces and 14 parks had one vacant space. The overall vacancy rate was 1.36%. In parks with less than 100 spaces the vacancy rate was 1.5%.

Park Owned Mobilehomes

Most of the parks do not have any park owned mobilehomes or have only one park owned mobilehome, which is occupied by the manager. Only one of the 49 nine parks has predominantly park owned mobilehomes. One other park has 32 park owned mobilehomes out of 451 spaces. Commonly, if a park owned a few mobilehomes, the manager indicated that the park owner intended to sell those homes rather than rent them.

Turnover (In Place Sales of Mobilehomes)

Often responding managers provided estimates, rather than exact counts of the number of in-place sales within the past year and the past three years. Some of the managers did not have this information. In all but five of the parks reporting on the rate of in-place sales, the annual rate of in-place sales was under ten percent and in half of the parks the rate was five percent or less.

Rent Levels

A majority of the 17 mobilehome parks without pools had average space rents under $600 per month. Among the 33 mobilehome parks with pools, a majority had average space rents over $700 per month.

Rent Levels
Mobilehome Parks without Pools

Rent Level	No. of Parks
425-450	3
500-599	8
600-660	4
765-800	2

Rent Levels
Mobilehome Parks with Pools

Rent Level	No. of Parks
450	2
500-599	6
600-660	7
700-799	10
800-875	5
920	1
1,000-1,025	2

Sales Prices and Availability of Older Single-Wide Mobilehomes

As indicated, mobilehome park residents who are displaced would need to purchase mobilehomes in other parks if they want to be able to move to another park. Managers reported that sale prices of older single-wide homes ranged from $4,000 to $35,000, with the amounts evenly spread within this range. However, it must be noted that in light of the low rate of turnover in ownership, it is not likely that many singlewide mobilehomes would become available for purchase within a given year.

SURVEY OF MOBILEHOME PARKS IN NEIGHBORING CITIES

City	Park Name	Spaces	Senior Park	vacant spaces	Type of Mobilehome: rv	sw	dw	avg rent	high rent	rent after in-place sale of mh	pool	lease month to month or long term	pct of mh sold in-place last yr	sale prices older single wides mh's
Arcadia	Live Oak Park	56		0	0	most	few	600	625	600	x	most mm	7%	$10,000
Azusa	Arrow Pines Mob Estates	103		0	0	mix		625	825	8% inc.	x	all mm	6%	to 17,000
Azusa	Azusa MHP	46		4	0	mix		425	450	5-8% inc.		mixed	2%	
Azusa	Caravan	107		0	13	mix		500	560	5% inc.	x		4%	
Baldwin Park	Baldwin MP	29		0	0	14	15	800	850	750		most lt	7%	$25,000
Baldwin Park	Cooks Trailer Park	27		1	19	9		550	550	550		1 yr then mm	15%	$6,000 - 15,000
Baldwin Park	Fountain Blue MHP	62		0	0		most	800	866	800	x	all mm	5%	$4,000 - 13,000
Baldwin Park	Holiday Lodge	98		1	0		most		748	744-866	x	all mm	14%	
Chino	Pembroke Downs	163		0	0		most	600's	795	20% inc	x		7%	$10,000
Chino	Ramona MHP	48		1	0	24	24	560		20% inc		all mm	2%	
Covina	Arrow Glen Manor	102		0	0	51	51	750	780	10% inc	x	10 yr	6%	$28,000
Covina	Orange Grove TP	45		1	0	42	3	750	750	750	x	most mm	9%	$20,000 - 30,000
Covina	Rancho San Jose MHC	61		2	0	mix		840	860	860	x	1 yr then mm	25%	
Covina	Starlite Mob Estates	248		1	2	mix		875	990		x	all lt	2%	
Covina	Tumbling Waters MHP (converting to park owned rentals)	113		1	0		most	800	845	845	x	all mm		
La Puente	Covina Hills Mobile CC	500		26	0	few	most	920	1028	999	x	half mm	6%	$29,000
La Puente	Rancho La Seda	104		0	0	mix		660	672			all mm		
La Puente	Sunset Gardens West	75		0	0	38	37	575	575	575	x	all mm	1%	
Monrovia	Monrovia Mobile Estates	68	x	0		34	34	600	620	620	x	1 yr then mm	4%	$35,000
Monrovia	Ten Twenty MHP	33		0	0	mix		660	672	market		all mm	0%	$30,000
Monrovia	Vista Del Monte MP	87	x	1	0	2	84	698	720	710	x	all mm	6%	
Monrovia	Walnut Grove MP	51		0	most	few		500	500	500		all mm	0%	
Montebello	Villa Capri TP	54		0	0	48		555	555	555		all mm	2%	$22,000
Montebello	Welcome Gardens	67	x	3	0	most	few	500	650	650		all mm	1%	$18,000

City	Park Name	Spaces	Senior Park	vacant spaces	Type of Mobilehome rv	sw	dw	avg rent	high rent	rent after in-place sale of mh	pool	lease month to month or long term	pct of mh sold in-place last yr	sale prices older single wides mh's
Ontario	Country Meadows MHP- (3 pools 2 clubhouses)	437		0	0	2	433	1000	1100	1000	x	all mm	8%	
Ontario	Grove Manor	128		1	0	10	118	537	625	625	x	all mm	4%	$18,000
Ontario	Lamplighter Ontario	246		10	0	some	ajorit	750	850		x	90% mm		
Ontario	Rancho Ontario MHP	451	x	4	0	0	451	850	895		x	all mm	8%	
Ontario	Samoa	272		1	10	100	160	775	900		x	10 yrs	6%	
Ontario	Sky Villa MHP	38		0	1	37	1	443	445	445		all mm	3%	
Ontario	Star MHP	39		1	20	16	2	525	550	525		all mm	0%	$3,500
Pico Rivera	Rio Vista Mob Estates (contains greenbelt)	119		1	0	majority			720	700	x	all mm	3%	$25,000
Pico Rivera	Villa Nova Mob Estates	155	x	0	0	5	150		765	765	x	all mm	6%	good cond
Pomona	Bigs MHP	113		4	0	44	68	450	500	500	x	1 yr then mm		
Pomona	Crest Mobile Manor	141		0	0	28	113	584	625	600	x	most lt	4%	
Pomona	Foothill Village MHP	169	x	4	0	84	85	550	575	585	x	5 yr with ext	7%	$10,000-12,000
Pomona	Hi Fi MH Plaza	98		1	1	49	48	450	505	505	x	all mm	3%	$8,000-15,000
Pomona	Hillview MHP	59		0	0	mix		500	550	550	x	all mm	0%	
Pomona	'alley Center Trailer Es	59		4	0	most		500	600	600		most lt	0%	$15,000-20,000
Pomona	Westland Estates	148		0	0	27	116	775	800	7% inc	x	majority mm	very little	
Rosemead	Golden Pacific	41		0	3	38		600	650	650		all mm	0%	
Rosemead	Trade Winds ME	19		0	0	13	6	765	895	895		mm all but few	11%	
Walnut	Diamond Bar Estates	133		0	0	0	44	600	900	850	x	majority lt	3%	
West Covina	Friendly Village	157		0	0	0	157	765	840	765	x	all mm	4%	
Whittier	Candlewood	91	x	1	0	few	most	600	750	650	x	all mm	15%	to $40,000
Whittier	Hacienda MHP	56		2	0	most	some	600	650	650		1yr then mm	5%	$8,500
Whittier	Walnut MHP	37		1	some	mix		450	475			all mm		$30,000
Whittier	Whittier Downs MHP	75	x	0	0	0	75	1025	1059	1059	x	all 20 yr	8%	
Whittier	Whittier East MHP (RV's less rent)	78		0	19	mix		575	634	654		most mm	4%	
Whittier	Whittier Mobile CC (has golf course)	188	x	3	0	mix		700	750		x	all lt	3%	$20,000-$35,000

PART II - Policies and Regulations – Issues and Options

State Regulation of Mobilehome Park Tenancies

As indicated, in response to the special needs of mobilehome for protections, the state has adopted legislation governing the terms of mobilehome park space rentals.[32] These measures require that: evictions are only permitted for just causes and provide that mobilehome owners have the right to sell their mobilehomes in-place. However, state laws do not regulate rents.

V. Rent Stabilization

This section discusses issues and options regarding rent stabilization ordinances. It is quite detailed because the drafting of rent stabilization ordinances involves consideration of a substantial number of issues.

A. Principal Characteristics of Local Rent Stabilization Ordinances in California

About 90 jurisdictions in California (including cities and counties) have adopted mobilehome park space rent stabilization ordinances. Most of the ordinances were adopted in the 1980's and 1990's. With a few exceptions these ordinances are only applicable to mobilehome parks and do not cover apartment rents.[33]

Most of these ordinances limit annual rent increases to either a portion or the full amount of the annual increase in the CPI (consumer price index). Most do not permit any additional rent increases when mobilehomes are sold in place (new tenancies) ("vacancy decontrol") or allow only limited rent increases when a mobilehome is sold in place.

When limited increases are permitted upon in-place sales of mobilehomes, typically the allowed increases are in the range of 5% to 10% and a limit is placed on their frequency (e.g. not more than one increase in one, three, or five years)

Under all of the ordinances and as a constitutional right park owners have a right to petition for rents that will provide a "fair return."

Under state law, mobilehome park spaces which are rented pursuant to long term leases which meet specified conditions are exempted from local rent regulations.[34]

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[32] California Civil Code 798.
[33] In the Los Angeles area, the cities of Los Angeles, West Hollywood, and Santa Monica regulate apartment rents.
[34] California Civil Code Sec. 798.45.

B. The Adoption of Rent Stabilization in El Monte

The adoption of mobilehome park space rent stabilization in El Monte was triggered by exceptional rent increases in one large park (Brookside) which contains about one-third of all the mobilehome park spaces in the City.

Generally the adoption of rent regulations by a local jurisdiction has been triggered by the imposition of excessive rent increases in one or more mobilehome parks in the city. Commonly, when there have been exceptional rent increases just before the adoption of an ordinance, a rollback of base rents has been included. Rollbacks set initial rent levels at the level in effect as of a base date preceding the adoption of the ordinance.

In El Monte when exceptional rent increases were imposed in Brookside Mobilehome Park the City Council could not take any action because a 1990 voter municipal voter initiative banned rent regulations in the City.

In November 2012, El Monte voters passed a new initiative, which rescinded the 1990 initiative.[35] One month later (Dec. 2012) the City Council adopted an urgency ordinance. The ordinance 1) placed a three month moratorium on any rent increases for spaces with rents exceeding $1,000, 2) limited increases for spaces with a rent excess of $600 to 7%, and rolled back any increases in excess of 7% to 7% above the level in effect as of Dec. 18, 2012.[36]

Subsequently, the moratorium was extended several times.

In September 2013, the City adopted a rent stabilization ordinance.

However, the rent increases in Brookside have remained in effect and most of the spaces are covered by long term leases which are exempt from regulation.

C. El Monte's Rent Stabilization Ordinance

El Monte's rent stabilization ordinance[37] only applies to mobilehome parks with one hundred or more spaces.[38] Only two mobilehome parks, Brookside (421 spaces) and Daleview (175 spaces) fall into this category. Rent increases in the other mobilehome parks in the City had not been a matter of serious concern.

Under the ordinance in spaces with a rent under $760 per month, annual rent increases of up $50 per year are permitted.[39] The rents of spaces with a rent over $760 may not be increased

[35] Measure F, El Monte Fairness For Mobilehome Owners Ordinance,"Nov. 6, 2012.
[36] Ordinance No.2811 (Dec. 18, 2012)
[37] Municipal Code, Ch. 8.70 (Ord. 2829, Sept. 3, 2013)
[38] Sec 8.70.050 (C).
[39] Sec 8.70.050 (D)

without approval by the Rent Board.

Park owners may apply for individual rent adjustments based on a fair return standard or based on the amortized costs of capital improvements.

D. Rent Stabilization Ordinance Issues and Options

1. Rollbacks

As indicated, in the event large rent increases are imposed in a park that is now exempt from the ordinance, the City still has the power to rollback excessive rent increases in the event it decides to expand the coverage of its ordinance in the future.

Requirements of rollbacks of rent increases preceding the adoption of a rent stabilization ordinance are common among the ordinances in effect in California.

In 1983, the California Court of Appeal noted that rollbacks are common among rent control enactments and that they set rents at their level preceding "undue rent increases". The Court rejected a challenge to the rollback provision in Oceanside's ordinance.

> "Rent control enactments typically use the rent charged on a prior date as a starting point for the fixing of maximum rents on the theory that it approximates the rent that would be paid in an open market without the upward pressures that the imposition of rent control is intended to counteract. {Page 157 Cal.App.3d 906} [Citations.] The prior date is set early enough to avoid incorporating last-minute increases made by landlords in anticipation of the controls. [Citation.]" (Birkenfeld v. City of Berkeley, supra, 17 Cal.3d 129, 166; …*[cite omitted]* … If the Association's objection is directed at the impropriety of fixing maximum rents as of a given date, then it is without merit, "for this is the method of rent control to which there has been the widest resort [citation], and its constitutionality has been universally upheld. [Fn. omitted.]" (Marshal House, Inc. v. Rent Control Bd. of Brookline, supra, 266 N.E.2d 876, 886.) On the other hand, if the Association is claiming the rollback date is arbitrary and bears no relationship to any ascertainable rent increase, it fails to provide evidence establishing that fact.
>
> Apparently, the December 31, 1979, date was selected because it constituted the most recent year in which arm's length rents had been established in a freely operating market unencumbered by rent control. Such a procedure has been explained as follows: "Institution of a rollback provides a safeguard against freezing last minute rent increases into controlled rental levels and carries the advantage of setting rents 'at levels which landlords and tenants had worked out for themselves by free bargaining in a competitive market' [citation] at a time either before undue rent increases commenced or at least before they became so evident." (Marshall House, Inc. v. Rent Control Bd. of Brookline, supra, 266 N.E.2d 876, 886, quoting Hillcrest Terrace Corp. v. Brown (Em.Ct.App. 1943) 137 F.2d 663, 664.) The 1979 rollback date appears to favor the park owners, both because those rents were inflated

> because of a high demand and low vacancy rate, and because rent control was "in the wind." [40]

In 1990, a Court of Appeal upheld an Escondido ordinance which set base rents at a level in effect two and a half years prior to the adoption of the ordinance.[41] In 1991, Yucaipa adopted an ordinance which set the base rent on the basis of 1987 rents adjusted by the CPI increase since 1987.[42]

In one case a U.S. federal district court struck down a rollback provision in a rent stabilization ordinance.[43] However, the nature of that rollback was exceptional. The ordinance (1) contained a base rent date that preceded the adoption of the ordinance by eight years, and (2) provided for a three year freeze on rents after the adoption of the ordinance.

2. Coverage

The City may or may not desire to regulate the rents in the other mobilehome parks in the future.

Most of the mobilehome park rent stabilization ordinances in California cover all of the mobilehome parks in the jurisdiction.[44]

In the future the City may or may not elect to expand the coverage of its ordinance to other mobilehome parks. In determining the scope of coverage of its ordinance, as an alternative to expanding its coverage to all parks or all parks that have more than a specified number of spaces, the City may fashion its regulations in response to its objectives and special circumstances, provided that the classifications it adopts have a rational basis. For example, in a few cities, ordinances have exempted parks which offer residents leases which meet specified conditions including specified limits on rent increases.[45]

Spaces with Park Owned Mobilehomes

The rationale for regulating the rents of mobilehome park spaces and the spur for their adoption has been a desire to protect a class of tenants who own their dwellings, which as a practical matter cannot be moved. Typically mobilehome park rent stabilization ordinances are not applicable to spaces with park owned mobilehomes which are rented in conjunction with the underlying space.

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[40] *Oceanside Mobilehome Park Owners Ass'n v. City of Oceanside*, 157 Cal App. 3d 887 (1983, California Court of Appeal)
[41] *Yee v. City of Escondido*, 224 Cal. App.3d. 1349 (1990)
[42] Yucaipa, Municipal Code Sec. 15.20.040.
[43] *Adamson v. City of Malibu*, 854 F.Supp. 1476 (1994)
[44] A few ordinances exempt mobilehome parks with less than five or ten spaces.
[45] E.g. Modesto Municipal Code, Title 4, Ch. 19 (exemption in Sec.4.19.05)

At the same time, it is noted that a city has the power to regulate the rents of renter occupied mobilehomes, which could be seen a comparable to regulating apartment rents.

Fair Return Standard

If the City extends the current ordinance, regardless of whether or not its coverage is expanded, it is strongly recommended that the City amend the fair return standard in the current ordinance. The current fair return standard is so general as to provide little guidance. In the event that a fair return petition was submitted, it is likely the hearing would turn into a lengthy and complex debate over what the standard should be. Such a determination would be a prerequisite to determining what rent increase, if any, would be allowed under the standard.

3. Annual Rent Increases

i. Legal requirements and policy considerations

As noted, the rent ordinance does not authorize any annual rent increases in space rents above $750. As a result, once rent levels reach this level, any additional increases would have to be obtained through a petition process.

Any annual adjustment provision would most likely obviate the likelihood of individual park rent petitions.

The base period for the purpose of calculating allowable annual rent increases could be the date of the adoption of rent stabilization (e.g. the allowable rent is the rent in effect as of Dec. 2012, adjusted by the percentage increase in the CPI) or another date may be selected that is based on a reasonable policy considerations.

There is no constitutional requirement in regards to automatic annual rent increases. Some mobilehome space rent ordinances do not authorize any annual rent increases and require that park owners petition for any rent adjustments. The State Supreme Court has held that this approach is constitutional as long as rent adjustments may be obtained within a reasonable amount of time through an individual park rent adjustment process. However, when this approach is adopted while rent increases are much less frequent they are often shocking because they are based on an accumulation of years of cost increases in park operating costs and increases in the CPI.

ii. Options for annual increase standards

Typically ordinances provide for annual increases based on a portion or the full amount of the percentage increase in the Consumer Price Index (CPI). This approach is recommended based on the view that the purpose of rent regulation is to prevent excessive rent increases, while authorizing rent increases in keeping with overall costs and trends in the economy.

Authorized annual increases range from 50 to 100% of the percentage increase in the CPI. About one-third of the ordinances authorize full CPI increases.

Allowable Annual Increases
under Local Mobilehome Park Space Rent Stabilization Ordinances

Allowable Annual Rent Increase as Percent of CPI Increase**	No. of Ordinances
None	7
50%	2
60%-74%	9
75%-90%	32
100%	35

* Standards with 100% of CPI up to a cap of 5% or more are considered full CPI increase standards since the CPI has increased by more than 5% in only two years since 1983 (when the increases were 5.1% and 5.9%).
**Two standards with an annual minmum of 5% or more are counted as 100% of CPI standards; actually they usually permit increases of more than 100% of CPI.

Often, in the course of adopting an ordinance, there is heated contention over what percentage ratio of the increase in the CPI should be used. There is no single correct answer about what annual increase would be the most fair or reasonable. In the first part of the 1980's, when many of the rent stabilization ordinances were adopted, inflation rates were high;[46] therefore, there were substantial differences between 50%, 75% and 100% of CPI increases. Since 1990, annual increases in the CPI have averaged about 3%. Therefore, the average annual difference between 75% and 100% of CPI increases during this period has been only about 0.75%.

Annual increases equal to or nearly to the percentage increase in the CPI are likely to reduce the number of individual park petitions for rent increases.

[46] Annual increases in the CPI were: 1978: 7.4%, 1979- 10.7%; 1980 – 15.8%, 1981 – 9.8%, 1982 – 5.9%. (CPI All-items All Urban Consumer, Los Angeles, Riverside, Orange County)

iii. Automatic Cost Passthroughs

In order to place the allowable increases in other ordinances in context, it is essential to note that while most of the other ordinances do not permit 100% of CPI increases, many of the ordinances provide for passthroughs for various types of increases in assessments or public fees in addition to a percentage of CPI increase. As an alternative, a 100% of CPI increase without additional cost passthroughs may best serve the interest of creating the most practical, simple, and reasonable rent increase mechanism.

iv. Selection of a Price Index

Most ordinances use the CPI all items for all urban consumers for the Standard Metropolitan Statistical Area.[47]

v. Floors and Ceilings on Annual Rent Increases

Some ordinances place a ceiling and/or provide floors on the amount of the annual adjustment. A typical floor is three percent and a typical ceiling is six percent. A ceiling provides insurance that exceptional rent increases will not be imposed without a cost justification.

Ceilings became common in the early 1980's when the annual increases in the CPI were exceptional. The ceilings range from five percent upwards. Since 1991, the CPI has not increased by more than 4.5% in a single year.

A three percent floor for allowable increases results in annual increases that commonly exceed the annual increase in the CPI. Since 2009, the annual changes in the CPI have been: 2009 - -0.8%, 2010 – 1.2%, 2011 -2.7%, 2012 – 2.0%, 2013 – 1.1%.

vi. Implementation of Annual Rent Increases

It is recommended that any annual increase provision provide for a uniform date for annual rent increases for all spaces in the City, rather than being tied to the anniversary date of the prior rent increase for each space. This type of provision requires a "phase-in" in the first year, but simplifies the process after the first year by providing a uniform annual rent increase amount for all of the spaces in the City.

[47] Lengthy analysis or debate could be undertaken over what index, among the numerous CPI indexes (e.g. the indexes for all urban wage earners, the all-items less shelter index etc.) would be most appropriate. The CPI all items for all urban consumers is the most widely used index in rent stabilization ordinances. It reflects overall trends in the economy. No matter what index is selected, the City should avoid a process of index shopping in future years based on a desire to obtain a result that is most favorable to either the residents or park owners.

vii. Increases Upon In-Place Sales of Mobilehomes (Vacancy Control or Vacancy Decontrol)

The question of whether park owners should be permitted no increase or a small increase (vacancy control) or unlimited increases (vacancy decontrol) when a mobilehome is sold in place has been the most seriously contested issue among issues about the design of such ordinances.

If unlimited rent increases are permitted when a mobilehome is sold in place the value of the mobilehome can effectively be "captured" by the park owner through excessive rent increases. When such increases are imposed, mobilehome owners who desire to sell are compelled to reduce the price of the mobilehome in order that the cost of the overall mobilehome ownership package (the cost of the mobilehome plus the space rent) is reasonable. In cases of exceptional rent increases, mobilehomes become unmarketable except at nominal prices.

On the other hand, some park owners have claimed in court that vacancy controls unfairly allow mobilehome owners to capture the value of the underlying land and incorporate this value into the sales prices of their mobilehomes. In some notable cases federal courts agreed with this position and ruled that the rent regulations constituted a taking. However, each of those holdings was eventually reversed by a higher court.[48]

As indicated, a number of ordinances permit moderate rent increases when a mobilehome is sold in place (e.g. 5% to 10%). Some of the ordinances limit the frequency of such increases (e.g. not more than one vacancy increase for a space within a one, three, or five year period.)

Allowable Rent Increases Upon In-Place Sales of Mobilehomes under Local Mobilehome Park Space Rent Stabilization Ordinances

	No. of Ordinances
No Increase Upon In-Place Sale	**43**
Limited Increase Permitted	**30**
No Limit on Increases (Vacancy Decontrol)	**12**

[48] Holding in *Hall v. Santa Barbara*, 813 F.3d.198 (1986, U.S. Circuit Court of Appeal, Ninth Circuit) that mobilehome park space rent controls with vacancy control may constitute a "physical" taking of property rejected by the U.S. Supreme Court in *Yee v. Escondido*, 503 U.S. 519 (1992). Ruling in *Cashman v. Cotati*, 374 F.3d. 887 (2004, U.S. Circuit Court of Appeal, Ninth Circuit) that mobilehome park space rent controls with vacancy control were unconstitutional because they did not "substantially advance a legitimate state interest" vacated in 2005 (415 F.3d. 2007) after the U.S. Supreme Court ruled in *Lingle v. Chevron* (544 U.S. 528, 2005) that the "substantially advance a legitimate state interest" test was not appropriate in a takings analysis. Ruling by en banc panel of U.S. Court of Appeal, Ninth Circuit in *Guggenheim v. Goleta, 638 F.2d. 1111 (2010),* rejecting holding of three judge panel (582 F.2d. 996, 2005) that a regulatory taking had occurred.

4. Fair Return Standards

i. Fair return concepts

The concept that the park owners are constitutionally entitled to a "fair return" is undisputed. However, the issue of what constitutes a fair return has been a subject of continual debate and imprecise judicial guidance. In 1993, a California Court of Appeal commented:

> **The principal question is whether the San Marcos City Council acting as the City's Mobile Home Rent Review Commission, denied this mobilehome park owner its constitutionally guaranteed fair rate of return on its investment by refusing to grant a proposed rent increase. What appears at first blush to be a simple question of substantial evidence turns out to be something considerably more complex when one realizes that the formula for determining a "fair return" is hotly debated in economic circles and has been the subject of sparse, scattered, and sometimes conflicting comment by appellate courts. In particular, only the broad outlines have been discussed in California decisions.**[49]

In many of the cities with mobilehome park rent stabilization ordinances there have been no fair return hearings or they have been rare. In other cities, especially cities with ordinances that do not authorize automatic annual increases, there have been frequent hearings.

In any case, it is essential to carefully draft fair return standards and hearing procedures so that any hearings that do occur take place under a logical standard and in a reasonable fashion. If there is a hearing, the effort to carefully draft fair standards and hearing procedures will payoff many times over. Furthermore, the process of drafting such a standard does not require a reinvention of the wheel because other cities have already undertaken this task.

The fair return standard in El Monte's current ordinance list factors that shall be considered along "with any other relevant factors"; but does not contain a specific fair return formula.[50] This type of standard was upheld by the State Supreme Court in 1983.[51] Subsequently, many other cities copied the standard because it had been upheld by the Supreme Court at the time there was uncertainty about how the courts would rule in regard to the validity of more specific fair return standards. However, this type of standard is fraught with problems. In the absence of specific fair return standard, fair return hearings turn into debates over what the standard should be and the outcomes of a case cannot be predicted by park owners considering whether or not to file an application or residents deciding whether or not to oppose an application.

As an alternative to standards that do not set forth a specific methodology, a maintenance of net operating income (MNOI) standard is recommended. MNOI standards have become

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[49] *Palomar Mobilehome Park Ass'n v. Mobile Home Rent Review Commission* [of San Marcos], 16 Cal.App. 4th 481, 484 (1993).
[50] Sec. 8.70.060 (G).
[51] *Carson Mobilehome Park Owners' Assn. v. City of Carson*, 35 Cal.3d 184 (1983)

widespread and in the past two decades, the courts have consistently upheld this type of standard.

Under the MNOI standard, fair return is defined as the net operating income of a park in a base period adjusted by a CPI increase factor. The standard is based on the presumption that the net operating income of a park as of a base date was a fair net operating income and it is reasonable to preserve that level of net operating income. It is the most commonly used standard among the rent stabilization programs in California and has been upheld and praised by the Courts.

The second most commonly used fair return standard has been fair rate of return on investment. Under this standard a percentage rate of return on the purchase price of the park -is considered a fair return. (For example – a fair net operating = 7% of the investment) Typically, the original investment is adjusted by the percentage in the CPI since the year of the investment. This approach sounds intuitively logical. However, this type of standard suffers from serious flaws when used to set allowable rents. It works in a circular manner in the context of a rent regulation. Under such an approach an investor can determine the allowable rent by setting the level of investment.

Furthermore, the process of determining what rate of return is fair is highly subjective. Expert opinions of a fair rate commonly range from about 5% to 10%. Furthermore, the use of the standard has been marked by varying selections of the rate base, ranging from original purchase price adjusted downward by deprecation to original purchase price to original purchase price adjusted upward by the increase in the CPI since the purchase date. The differences among these choices of the rate base are central to the outcome of a fair return of return analysis and have a huge impact in cases involving long term owners.

In contrast, the MNOI standard provides all owners with the same rate of growth in net operating income over a base period level of net operating income, regardless of differences in their purchase arrangements. The standard is based on the concept that it is up to the purchaser to select a purchase price in light of the rental income authorized by the regulation, rather than allowing to the purchaser to determine the allowable rental income based on the investment. To place this concept of regulation in perspective, it may be noted that in the zoning context it is up to the purchaser to make an investment based on the allowable land use, rather than the duty of a city to modify the allowable land use in order to insure a fair return to the investor.

ii. Base Year under Fair Return Standard

Typically the Base Year is the year preceding the adoption of the Rent Stabilization. Under some ordinances it has preceded the adoption of rent regulations by a greater period.

Special attention has to be paid to how base year and current year income are defined (calculated) in instances in which a park has had an abnormally high vacancy rate in either the base or current year.

iii. "Escape" Clauses in Fair Return Standards

In virtually every case in which an MNOI standard has been used the decision has been upheld when challenged in court. However, the Courts have not adopted the view that the use of an MNOI standard is automatically valid.

In the face of the possibility of a successful challenge to the MNOI standard in an individual case, an escape clause provides the decision maker with the flexibility to issue a revised decision consistent with a court order and therefore, avoids the possibility that an ordinance would invalidated on the basis that it does not permit a fair return. At the same time, "escape" clauses should be narrowly framed so that they do not permit the use of another standard when not required.

iv. Findings in Fair Return Decisions

It is recommended that the ordinance require specific types of findings in any fair return decision. This step ensures that any decision demonstrates the analytical path mandated by the standard. Required findings should include a calculation of the allowable operating expenses and the level of net operating income in both the base year and the curreant year and a calculation of the fair net operating income under the MNOI formula.

v. Capital Improvements

The central issue in rent stabilization ordinances in regards to capital improvements has been whether or not increases for capital improvements should be treated separately or only in conjunction with consideration of overall income and expenses in a fair return analysis. Both approaches are widespread.

If overall rent increase allowances cannot be considered in determining what rent increases should be permitted for capital improvements, then owners would be entitled to the same rent increases for capital improvements regardless of whether the automatic rent increases were adequate to provide growth in the park owner's net operating income. One purpose of annual rent increase provisions has been to permit owners to obtain adequate income without additional increases through the individual adjustment process. The concept that an owner who has received annual increases each year would be entitled to separate increases for capital replacements appears to some to be a form of double counting. Also, separate consideration of capital improvements does not allow for any consideration of whether other expenses have been reduced as a consequence of a capital improvement.

Separate treatment and allowances for capital improvements may create an incentive for their performance or may simply provide increases for work which had to be performed and/or would have been performed regardless of whether incentives were provided.

From a policy perspective, treatment of capital improvement expenses within a maintenance of net operating income fair return analysis is most consistent with the concept of tying rent increases to the CPI and increases in operating expenses. If the other allowable increases are adequate to cover the cost of capital improvements, as well as increases in operating costs and growth in net operating income, no additional increase is permitted. This approach considers the overall income and expense picture in order to determine what increases are reasonable.

Often, there is uncertainty as to whether a particular expense is a capital improvement or maintenance. There is no single correct method of distinguishing these two terms and different types of laws (e.g. the internal revenue code) use differing definitions than those used in rent ordinances. However, if both capital improvements and maintenance are included within the same fair return formula and major maintenance expenses are amortized in the same manner as capital improvements, then it does not make a critical difference whether a cost is categorized as a capital improvement or maintenance.

In the case of El Monte, which has many smaller parks which need capital improvements , there are counterbalancing rationale for treating this type of cost separately in order to create greater incentives. A substantial portion of the park spaces are in smaller parks in need of infrastructure or other types of improvements. Also, the process of considering overall income and expenses may be burdensome for owners of small parks.

An intermediate approach may be to allow capital improvements increases for small mobilehome parks without a fair return analysis as long as maintenance and service levels are maintained and the balance of the rent will not be increased by more than the allowable annual increase. Such increases may subject to other reasonable conditions.

In any case the amortization periods for capital improvements should be realistic and the allowances for interest costs should be reasonable. These rates should be tied to objective standards rather than the particular financing arrangements of a park owner. Otherwise, they may be manipulated. In three cases California appellate courts have held that tying allowable rent increases to the particular financing costs of a park owner has no rationale basis.[52]

vi. Reductions in Rent for Reductions in Service and/or Maintenance

Some ordinances condition the right to annual rent increases on compliance with adequate maintenance and/or authorize decreases in rents for reductions in services or maintenance or failures to comply with code requirements. Before claims for rent reductions may be made, park owners should (must) be provided with an opportunity to remedy the conditions which the Residents object to.

While annual rent increase provisions are tied to a specific objective standard (the Consumer Price Index), it is virtually impossible to draft objective standards for rent reductions based on reductions in services or maintenance. Measurement of a reasonable rent reduction for a reduction in maintenance depends on a host of variables which are not subject to any conventional form of quantification.

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[52] *Palomar Mobilehome Park Ass'n v. Mobile Home Rent Review Commission [of San Marcos*], 16 Cal.App. 4th 481, 488 (1993); *Westwinds Mobile Home Park v. Mobilehome Park Rental Review Bd*., 22 30 Cal.App.4th 84, 94 (1994); *Colony Cove Properties LLC v. City of Carson*, 220 Cal.App.4th 840, 870 (2013).

5. Hearings – Adjudicator (Board or Hearing Officer) and Procedures

The procedures under rent stabilization ordinances for considering fair return petitions and other types of hearings can generally be divided into two categories – hearings conducted by a hearing officer (arbitrator) and hearings conducted by a rent commission.

Within these two categories there are number of variations regarding appeals of decisions.

Appeals of decision of Rent Commission: to Hearing, Officer, City Council, or none.
Appeal of Hearing Officer Decision: to Commission, City Council, or none.

Appeals may be on the record or "de novo" (new hearing with new presentation of the evidence).

After City procedures are exhausted parties have a right to challenge the decision by bring a writ of mandate action in Superior Court based on the evidence in the administrative record. Generally the scope of review will consist of consideration of whether City decision is supported by "substantial evidence."

There is no single correct answer as to what city procedure is best.

One recommendation is that regulations adopted pursuant to the ordinance should limit the length of hearings (e.g. to eight hours or less) and that staff analyses be prepared as part of the review process. Otherwise, the hearing process becomes very burdensome for either the Residents, the Park Owner, or both parties.

A common experience, especially when hearing officers are used, is that hearings become extremely lengthy, lasting for many scheduled sessions which may stretch over weeks or months. On the other hand, other cities compress the hearing process.[53] The tool of written submissions provide the parties the opportunity to fully present their views.

Hearing Procedures should provide adequate time for parties to respond to the presentation of opposing parties and require that the parties provide their theories and evidence well in advance of a hearing.

6. Financing of Rent Stabilization Administration (State Regulation of Public Fees)

It is recommended that the ordinance authorize the City Council to set fees by Resolution.

i. Annual Registration Fees

A substantial portion of the cities with mobilehome park space rent regulations charge annual administrative fees per mobilehome space. Fees may not be applicable to spaces which are subject to long terms leases and, therefore, exempted from local rent regulation.[54]

[53] See e.g. the hearing guidelines of the City of San Marcos.
[54] California Civil Code Sec. 798.17 (e).

A fee of $5 per mobilehome space per month would generate an annual income of $48,000 if 800 spaces were subject to the ordinance.

The fees are commonly split between park owners and park residents. Typically park owners are required to pay the whole fee and then can passthrough the fee to the residents on a monthly basis. State law requires an exemption from such fees for spaces that are exempt from local rent regulations. The fees must be reserved for the administration of the program, rather than for any other city uses.

ii. Hearing Fees

Some jurisdictions impose a petition fee of several thousand dollars. Others require a payment adequate to cover the city's full cost of retaining outside experts to review the petition, an amount in the range of $5,000 to $10,000.

iii. Administrative Costs

The costs of administering a rent stabilization may vary substantially depending on the level of service that a City elects to provide in conjunction with an ordinance. The City may provide extensive or modest information and enforcement From a practical point of view, the costs of the administering the program are small compared with the benefits that residents realize as a consequence of the protections provided by the ordinance. They are also are small when compared with costs of other city programs designed to subsidize the production of affordable housing units.

7. Power to Adopt Regulations Pursuant to the Ordinance

Most ordinances provide a Board with the authority to adopt regulations. Typically such regulations address the specifics of hearing procedures.

VI. Annual Reporting of Rental and Other Tenancy Information

In hearings and in its rent stabilization ordinance the City Council has indicated that rent increases in smaller parks are not an issue at this time. On the other hand, the City has indicated a continuing concern about mobilehome park space rent and affordability issues.

Under these circumstances, it would be appropriate to require that park owners annually report space rents and related information to the City. Such a step is essential for providing policy makers with accurate information. This type of reporting requirement is common under rent stabilization, but could be adopted without any control of rents. Such a requirement would obviate the need for new surveys in order to determine the current situation and provide for a continual monitoring of the rent trends and turnover of mobilehome park residents in the City.

VI. Mitigation of the Impacts of Mobilehome Park Closures – Issues and Options

Mobilehome park closures in urbanized areas have been a public issue since the 1980's. In the past few years, as real estate development has surged there have been increasing economic incentives to close mobilehome parks in order to convert the land to alternate uses which may be more profitable (such as shopping centers or condominium projects). **The closures do not occur because mobilehome parks are not profitable, but rather because other uses have become more profitable.**

Under state law park owners are required to prepare a relocation impact report (RIR) which details the impacts of the closure on the displaced residents. The state law also authorizes localities to require that a park owner mitigate the impacts of a closure on the displaced residents.

Generally, the RIR's contain detailed information about mobilehome park rents, mobilehome prices, the costs of moving mobilehomes, and the availability of vacant spaces in other parks.

As a practical matter the mobilehomes cannot be moved to another mobilehome park because there are few vacant spaces and most mobilehome parks will not accept older mobilehomes.

Therefore, when mobilehome parks close the mobilehome owners lose their homes and the value of the homes, since as a practical matter they cannot be moved to another park. If the displaced mobilehome owners cannot afford to purchase another mobilehome or cannot meet the qualifications for acceptance in another park (income standards and ceilings on the number of occupants based on the number of rooms in the mobilehome), moving to another mobilehome park is not an alternative. The other available alternative renting an apartment is commonly unaffordable because apartment rents are typically two to four times the mobilehome park space rents.

Relocation impact reports (RIR's), which are required prior every mobilehome park closure project the costs of moving mobilehomes, space rents and the costs of purchasing mobilehomes in other comparable parks, and apartment rents.

The levels of mitigation required by cities and counties vary greatly ranging from guaranteeing adequate housing for each displaced household, and/or mitigation covering the loss of the in-place value of the mobilehome, or payment of the rent differential due to the relocation for a period of years to covering only the costs of moving the households possessions to a new location.

While the RIR's project the impact of a mobilehome park closure, this author is not aware of any studies subsequent to a park closure in order to determine the actual impacts of the losure and where the displaced mobilehome owners actually moved.

A. State Law Regarding Mobilehome Park Closures

1. Applicable State Statutes

Under state law mobilehome park owners are required to prepare a Relocation Impact Report (RIR) when they propose to close their mobilehome park.

Government Code Section 65863.7 which is applicable to closures of mobilehome parks except closures "pursuant to the Subdivision Map Act." states that:

> **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.**

In addition, the law provides that a local legislative body *may* require as a condition of the closure that the Owner mitigate the impacts of the closure on the displaced residents, subject to the limitation that the required mitigation steps shall not exceed the reasonable costs of relocation.

> **(e) The legislative body, or its delegated advisory agency, shall review the 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.**

If the proposed replacement project may be a condominium project and therefore, **a subdivision project** it would be subject to Government Code Sec. 66427.4

That section states that the local agency:

> **(c) …may require the subdivider to take steps to mitigate any adverse impact of the conversion on the ability of displaced mobilehome park or floating home marina residents to find adequate space in a mobilehome park or floating home marina, respectively.**
>
> **(d) This section establishes a minimum standard for local regulation of conversions of mobilehome parks and floating home marinas into other uses and shall not prevent a local agency from enacting more stringent measures.**

Procedural Requirements in State Law

The State law also includes procedural requirements for park closures.[55] These include the following:

i. **Resident Impact Report (RIR)**

Before a city may act upon a development application that includes a mobilehome park closure, an RIR must be provided to the City. At least 15 days prior to the hearing on the application, the applicant must provide a copy of the RIR to the affected residents.

ii. **Hearing on RIR**

The residents or the park owner may request a hearing on the adequacy of the RIR.

iii. **Termination of Tenancies Pursuant to Park Closure**

If a closure is pursuant to a permit for a change in use, **after** the permit is granted. the park owner must provide six months notice of the termination of tenancies.

If no local permits are required in order to close the park, the park owner must provide 12 months notice of terminations of tenancy.

Comment on State Procedural Requirements and Alternate Periods in Local Ordinances

i. **Notice of an Intent to Close a Mobilehome Park**

Local ordinances commonly require that residents be provided advance notice of the filing of an application to close a park and the submission of an RIR.[56]

i. **Provision of RIR to Residents Prior to Hearing**

The requirement that park owners must provide an RIR only fifteen days before a hearing on the RIR is extremely short in light of the enormous impact that a closure has on park residents and the complex issues that are addressed in such a report.[57]

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[55] California Civil Code Sec 798.56 (g) and Government Code Sec. 65863.7

[56] Morgan Hills requires 120 days notice. Morgan Hills Municipal Code Sec. 17.38.330. Oxnard requires 90 days notice. Oxnard Municipal Code Sec.24-31.

[57] Under the Oxnard ordinance, the RIR must be provided 30 days in advance of the hearing on its adequacy.. (Oxnard Municipal Code Sec. 24-33)

ii. Termination of tenancies

Some local ordinances require longer notice periods for terminations of tenancies pursuant to the approval of a park closure. Palm Springs requires eighteen months notice and Oxnard requires two years.[58]

2. Interpretation of the State Law

As noted, the state law applicable to land use conversions that do not involve subdivisions states that: **"The steps required to be taken to mitigate shall not exceed the reasonable costs of relocation."** An issue has emerged as to whether this provision limits required mitigation to the physical costs of relocating a mobilehome or may include mitigating the economic impacts of the closure. The difference between these two alternatives is central. Generally, the physical costs of relocating mobilehomes and setting up a mobilehome are small relative to the other costs that residents incur as a result of a closure, since a closure results in a virtually total loss of the value of a mobilehome and apartment rentals with rents which are typically are double or triple mobilehome park space rentals.

Although some park owners have contended that the required mitigation must be limited to the physical costs of relocating a mobilehome and a substantial portion of the local closure ordinances authorize requirements of greater amounts of mitigation, there are no published court opinions addressing this issue and, therefore, no guiding precedent.[59]

The history of the interpretation of this provision by cities and counties supports the conclusion that the state law does not limit required mitigation to physical relocation costs. Most local ordinances authorize or require documentation and consideration of the in-place values of mobilehomes and the costs of housing alternatives. These provisions indicate that the ordinances (and, therefore the underlying state law authorizing the local mitigation ordinance) are interpreted to authorize greater mitigation rather than only covering the costs of physical relocation. Otherwise, the consideration of in-place values and the cost of alternatives would be superfluous.

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[58] Palm Springs Municipal Code Sec. 4.080.130(b)(1) and Oxnard Municipal Code Sec. 24-39.

[59] In one case a Superior Court in Ventura County ruled that required mitigation cannot exceed the physical costs of moving mobilehomes. However, Superior Court decisions are not guiding precedent. A Court of Appeal decision, which was unpublished, and therefore, is not guiding precedent, reached the opposite conclusion. Both opinions have been supplied to the City Attorney for the purpose of providing the public with information about reasoning in regard to the issue. Also, a letter from an attorney representing park residents in regards to this issue, which was submitted in another City, has been provided to the City Attorney.

B. Issues in Formulating A Closure Mitigation Ordinances

Numerous localities have adopted mobilehome park closure mitigation ordinances. (This author has located over 60 local mobilehome park closure mitigation ordinances.)

This section describes the ordinances that have been adopted and discusses issues involved in the drafting of closure mitigation ordinances.

1. Findings and Statement of Purpose

Statements of purpose in mobilehome park closure mitigation ordinances standardly note the purposes of the ordinances. Some note the harsh impacts of the closures on the displaced households.[60]

2. Dwellings Covered by Park Closure Mitigation Ordinance

Some ordinances only cover households residing in mobilehomes which meet specified state standards, while others cover households residing in any type of dwelling used as a residence. The latter type of definition is consistent with the realities that very low income households have commonly paid space rent for years while living in dwellings (e.g. recreational vehicles) that serve as permanent residences although they do not meet the definition of mobilehomes.

Some ordinances cover households that rent their homes as well as the mobilehome space. Closures of spaces with park owned mobilehomes, as opposed closures of spaces with residents owned mobilehomes, may be considered as comparable to the elimination of apartment rental units.

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[60] The closure ordinance of Citrus Heights recognizes the reality that mobilehomes cannot be relocated when a park closes.. It states: *The existing park spaces are predominantly occupied by retired elderly tenants who live on fixed incomes, in many cases solely upon social security. The mobile homes in the parks are predominantly owner-occupied units which cannot be readily relocated due to the age of the units and the cost of moving and relocation. When a mobile home in an existing park is sold, it is sold in place; rarely is a mobile home in an existing park moved from its location once it has been placed in a park. There are virtually no vacant spaces in the mobile home parks in the city, and the number of vacant spaces in the county is very small. Thus, due to the above circumstances, spaces in the existing mobile home parks in the city represent an important component of the housing stock of the city, especially for senior citizens and persons of low/moderate incomes.*

The closure ordinance of Laguna Beach recognizes that a mobilehome is often the sole or principal asset of a displaced household and that relocation causes severe hardships for displaced households. It states: *When a mobilehome in an existing park is sold, it is generally sold in place; it is not often moved from its location once it has been placed in apark. Mobilehome owners have often invested substantial sums in the acquisition, installation and maintenance of their mobilehomes. For most residents, these units represent the owner's sole or principal financial asset. One direct result of a change of use of a mobilehome park, unless mitigated, can be the destruction of the value of the mobilehome and a difficulty of the mobilehome owner to find adequate replacement housing. Relocating park residents to an area in excess of twenty miles from their existing home often creates special hardships, particularly for elderly residents, who need to be in proximity to their family, caregivers, medical care providers and social service support networks. A move in excess of twenty miles would seriously disrupt these support resources, would jeopardize the jobs of those residents currently employed and would not constitute adequate replacement housing for such residents.*

3. DeFacto Park Closures

A portion of the closure ordinances also require mitigation when de facto closures have occurred.[61] Under these provisions a closure is deemed to have occurred if over a specified percentage of the spaces in a park (typically 25%) are vacant.[62] Since there is a severe shortage of mobilehome park spaces, except under peculiar circumstances, a high vacancy rate would only be a consequence of a decision not to rent vacant spaces or demanding rents that are over market levels.

In the absence of provisions which cover de facto closures a mobilehome park owner may reduce mitigation obligations by undertaking strategies which result in substantial park vacancies, such as demanding rents above market levels and/or rejecting potential purchasers of mobilehomes from departing residents.

4. Restriction on Rent Increases while Closure Application is Pending

Typically the ordinances severely restrict rent increases after a notice of an intended park closure in order to prevent increased pressure on residents to move without qualifying for the relocation protections.

5. Relocation Impact Report (RIR)

Most of the ordinances contain detailed provisions regarding the required content of a relocation impact report. Required contents commonly include:

1. Characteristics of Resident Households,
2. Characteristics of the mobilehomes,
3. Investments of Mobilehome Owners- Purchase Prices and Improvement Costs
4. Current Space Rents, Increases in Space Rents in the Last Five Years
5. The availability of vacant spaces to relocate mobilehomes and park rules regarding the acceptance of older mobilehomes,
6. Costs of moving mobilehomes,
7. Space rents and prices of mobilehomes in other parks,
8. Apartment rents in the area,
9. An appraisal of the Park in its Current Use and of the Park Land in Alternate Uses including its "highest and best" (most profitable) use.
10. A Narrative of the Planned Use of the Park Land

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[61] See e.g. Hayward Municipal Code, Sec. 10-26.105; Laguna Beach, Municipal Code Sec. 1.11.015; Petaluma Municipal Code Sec. 8.34.020. C

[62] The Concord ordinance includes the following definition: "Closure of a mobile home park. To stop or cease leasing less than 75 percent of the occupiable spaces to qualified homeowners." (Concord Muni. Code Sec. 58-52). Also see Fremont Muni. Code Sec. 18.195.050 – Determination of a Change in Use.

11. Other Information Required by the Department in order to assess the relocation impact report.
12. Proposed Mitigation Measures,

Other less common information requirements include:

"The number of evictions, and the reason(s) for each eviction" in the three years prior to the application."[63]

In regards to income data, generally the ordinances require a calculation of the proportion of households in the low income category. Such data provides only vague guidance because the low income category covers up to 80% of median income (in the Los Angeles area, $45,650 for a one person household and $65,200 for a four person household.)

In order to provide a realistic account of the housing possibilities for displaced households, the following information should be required in RIR's:

1. A breakdown of household incomes in $10,000 increments,
2. Identification and quantitative projections of the portions of the housing market that are affordable to households in each of income class, taking into account alternate household sizes.

Most of the RIR's report that neighboring parks will not accept mobilehomes that are more than a few years old and find that as a practical matter it is not possible to move the mobilehomes to parks in the neighboring area.

Although the reports set forth the income levels of the residents and the costs of housing alternatives, they do not discuss the relationship between the incomes of the displaced residents and the costs of the alternatives. In the face of the reality that there are virtually no available mobilehome park spaces nor apartments where displaced residents can possibly move, some RIR's do not identify replacement housing alternatives that are economically feasible and/or do not acknowledge the reality that there are no affordable alternatives.

6. Selection of Consultants to Prepare Relocation Impact Report RIR and Appraisals of In-Place Values of Mobilehomes

The ordinances provide that the Park Owner will cover the cost of preparing the RIR. A majority of the ordinances provide that the Park Owner will select the consultant subject to the approval of the City. Some ordinances provide that the City will select the consultant to prepare the RIR.[64] Likewise, some of the ordinances provide that the City will select the appraiser to appraise the in-place values of the mobilehomes. **It is critical that the process of seeking**

[63] Concord Municipal Code Sec. 58-54 (b)(5).
[64] E.g. Concord Muni. Code Sec 58-54.

candidates for the selection of a consultant RIR and the selection of the Consultant is solely in the hands of the City to insure that the preparation of the report by a party who is truly independent of the parties.

The types of analysis required for an RIR involve a great deal of subjectivity as well as objective empirical data. Therefore, they can easily biased to favor the party selecting the appraiser.

Outcomes of appraisals of the in-place values of mobilehomes can vary enormously depending on which sales are selected as comparable. A balance in the process of selecting an appraiser or the resources to contest an appraisal is essential to a reasonable outcome.

One poetic superior court judge in New Jersey characterized the appraisal process in the following manner:

> Two real estate experts using one chart
> Have opinions of value millions apart
> Since both are correct, it would seem to impart
> That real estate appraisal is a miraculous art[65]

Some ordinances provide that each party (the Park owner and the Resident) may select an appraiser and that the determination of in-place value will be the average of the two appraisals. This approach places a substantial cost on any mobilehome owner who wishes to contest the appraisal commissioned by the park owner.

7. Required Findings in Order to Approve Closure

Typically approvals of park closures are conditioned on findings that the RIR is adequate and that the park owner has agreed to provide the level of mitigation set forth in the RIR.

Some ordinances require findings that the relocation plan meets specific housing objectives which are substantially above the standard mitigation standards. For example, some require that adequate replacement housing must actually be found for each of the displaced residents.

Other ordinances require that the closure be in conformance with the purposes of the Housing Element. In the absence of such a requirement, park owners may attempt to separate housing element review of the proposed new use of the park land from any review of the impact of the park closure, by claiming at the time of the proposed closure that there is no intended subsequent use of the land.

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[65] *Helmsley v. Borough of Fort Lee*, No, L-13-719-78 at 32, n.12 (N.J. Super Ct. L. Div, Oct. 7, 1978) quoted in Baar, "Guidelines for Drafting Rent Control Laws: Lessons of a Decade", 35 *Rutgers Law Review* 723, 798, n. 296 (1983).

Level of Required Mitigation

The amounts of required mitigation range from nominal and to substantial.

i. The Costs of Moving Mobilehomes

Virtually all of the ordinances require mitigation for the costs of moving mobilehomes to other mobilehome parks, including new setup costs, as well as just the physical moving costs. Also, they usually require coverage of temporary lodging costs in a hotel during the relocation of the mobilehome and its setup in the new location. However, as indicated, as a practical matter requirements to mitigate these costs are only hypothetical because few mobilehomes can be moved to another park.

ii. Coverage of Rent Differentials Associated with Moving to a New Location

Commonly, the ordinances require some type of mitigation for the cost differential associated with renting in another location or authorize the adjudicator to include such a requirement in the relocation plan.[66] The amounts of rent differential that may be authorized vary among ordinances. Substantial differences in the time periods for which mitigation of the differential may be required account for a major portion of the differences. One and two year time periods area typical. Under some ordinances the time period is longer for certain classes of households – such as households with a senior or handicapped person.

Measures of the rent differential vary. Some ordinances require mitigation equal to the difference between the mobilehome park space rent and the actual rent; others require an amount equal to the difference between current space rents and HUD fair market rent levels for the locality.

In fact, if a household must relocate to an apartment the amount of the annual rent differential is likely to be in the range of $8,000 to $12,000 or more. Furthermore, it is likely that apartment owners will be unwilling to accept displaced mobilehome owner households who will be unable to pay the rent after their relocation benefits run out.

iii. Discretion in Setting Levels of Required Mitigation

Most of the ordinances require documentation in the RIR of the in-place values of the mobilehomes, rents in other mobilehome parks, and apartment rents. However, a majority of the ordinances state that the adjudicatory body (city council, planning commission, or hearing officer etc.) **"may"** require mitigation measures covering these costs, rather than requiring coverage. The ordinances do not provide any direction the circumstances under which the various levels of

[66] The park closure ordinance of American Canyon states that "The relocation plan shall specifically provide that all tenants sixty-two years or older and all tenants who are medically proven to be permanently disabled shall not have to pay an increase in rent over the amount currently paid for a period of two years following relocation. (American Canyon Municipal Code Sec. 19.32.060)

mitigation should or should not be provided. Under such a standard the adjudicatory body (a City Commission or City Council or hearing officer) is free to adopt whatever level of mitigation it elects.

Some of the ordinances require that mitigation must cover certain costs including the loss of the in-place values of mobilehomes.

iv. Relocation Benefits for Households Unable to Move into Another Mobilehome Park or to Rent their Own Apartment

Commonly mitigation benefits are tied to the costs of moving a mobilehome to another park or renting a space in another park or renting an apartment, without providing any benefits from displaced households who cannot realize any of these alternatives. In effect, under the such standards, the poorest households which suffer the worst consequences of the displacement do not obtain any benefits.

It would be reasonable to require minimum levels for mitigation payments for unable to qualify for specified benefits that are contingent on finding replacement housing.

8. Exemptions from Mitigation Requirements in the Case of No Economically Viable Use

The ordinances standardly contain "escape" clauses – which authorize exemptions from closure mitigation requirements - in order to avoid situations in which the closure requirements would constitute a taking by compelling a park owner to remain in an unprofitable business. However, except under some very exceptional circumstances, such a possibility is only theoretical since space rents in urbanized areas are more than adequate to cover operating costs.

If the operation of a mobilehome park is an economically productive use, the fact that the conversion to another use may not be viable when mitigation requirements are taken into account, does not constitute the denial of any economically viable use. Also, a negative cash flow resulting from mortgage payment requirements is not an indication that a park does not have an economically viable use.

A substantial portion of the escape clauses provide for the confidentiality of financial information submitted by a park owner in order to justify an exemption. However, such clauses make little sense. If the information in support of an exemption claim is not available to the park residents, they cannot contest the claim resulting in a denial of due process. In fair return cases under mobilehome park rent stabilization ordinances, which are common, all financial information submitted by a park owner in support of a fair return claim is public record.

9. Agreements Between a Park Owner and Resident Regarding Mitigation Requirements

Most ordinances allow for agreements between a park owner and a resident which are in lieu of the requirements of the RIR. Typically, the ordinances spell out the disclosures that must accompany a proposed agreement including notice of the mitigation requirements in the ordinance and the right to seek counsel. Also, the ordinances commonly include a right of rescission for a stated period.

10. Administration Fees

Typically, applicants for closures are required to cover the costs of the RIR and appraisals that are required pursuant to the permit application

11. Time Limit on Closure Permit

Generally the ordinances provide for a time limit on the approval of the plan for closure of a park and mitigation.

12. Mitigation for Households that Own, Rather than Rent, Their Mobilehomes

As indicated, the removal of spaces with park owned mobilehomes may be considered comparable to the closure (demolition) of an apartment building, in the sense that both types of rentals involve tenancies without tenant ownership and investment in the dwelling structure. Most cities do not require mitigation for evictions pursuant to demolitions. However, the cities with rent regulations (including Los Angeles, Santa Monica, and West Hollywood) require mitigation for displacement pursuant to closures of apartment buildings.

In Los Angeles "qualified" tenant households which are evicted based on a change of use are entitled to benefits ranging from $15,000 to $19,300.[67] The "qualified" household category is broad, including: 1) households with an income under 80% of AMI, 2) households with a senior member (over 62), 3) households with a disabled member, 4) households with one or more minor children. Households which do not fall into these categories are entitled to $7,000 to $9,300.

[67] See Los Angeles Municipal Code. Sec. 151.22 – 151.28.

VII. Conversions of Mobilehome Parks to Resident and Non-Profit Ownership*

Conversions of mobilehome parks to either resident ownership or non-profit ownership provide mobilehome owners with financial security by tying increases in occupancy costs (space rents or ownership association fees) to increases in the costs of operating a mobilehome park. Without these types of ownership or regulation of space rents, there is no certainty as to whether a mobilehome owner will be able to continue to live in their dwelling in a mobilehome park and whether their mobilehome will retain its value. Also, without certainty a mobilehome owner has less incentive to maintain their mobilehome and take an interest in the maintenance of the park. Conversions can provide long term affordability of housing units at a fraction of the large costs required to construct affordable housing units, particularly because a substantial majority of mobilehome owners own their homes free and clear of any mortgage obligations.

Resident-owned mobilehome parks have been in existence in California since the early 1970's. Currently several hundred out of the 5,000 mobilehome parks in California are resident-owned. Non-profit affordable housing organizations have been acquiring mobilehome parks in California since the early 1990's. A substantial number of California cities have provided financial and technical assistance for the purpose of achieving conversions to resident or non-profit ownership. Also, the State Department of Housing and Community Development (HCD)

While resident owned or non-profit owned outcomes are considered desirable, their achievement is not simple. They require resident participation and support, arranging park purchase loans, and often local financial assistance. Navigation through the process of obtaining loans and public support require an interface between a host of complex guidelines and regulations and an unconventional type of arrangement in which the ownership of the mobilehome and the underlying land are split.

There are several obstacles to conversions of most of the mobilehome parks in El Monte. Interviewees who have specialized or participated in mobilehome park conversions indicated that conversions of small mobilehome parks were very difficult due to the scale of the costs of the conversion process per space in the case of a small park. Nevertheless some conversions of smaller mobilehome parks have occurred.In addition, lender and public support guidelines limit the types of mobilehomes that would be eligible for participation for assistance in the course of a conversion. Guidelines for assistance commonly require that mobilehomes are on a permenant foundation, are not over a certain age, and/or are good condition. When conversions do occur they provide an incentive to improve their mobilehomes and the parks that they are located in.

If the City desires to promote conversions of mobilehome parks to resident or non-profit ownership it is essential that City make contact with organizations that have extensive experience with mobilehome park conversions, as opposed to only general non-profit or condominium conversion experience and with cities that have extensive experience with mobilehome park conversions.[68]

Resident Ownership Requires Resident Motivation and Involvement

Most conversions to resident-ownership begin with resident dissatisfaction over rent increases or operations and maintenance of the park facility. Consultants look for a minimum of 80% active resident commitment to purchase a space or membership share in a resident-owned park. Because some portion of the residents may want to purchase but be unable to, funding sources to assist these resident-buyers with a down-payment is necessary. Of course, resident support is also extremely helpful in the case of a non-profit organization's purchase of a park. While conversions insure long-term affordability, their initial costs may trigger payments in excess of currents space rents.

The Existing Owner as a Voluntary Seller

A voluntary seller is a central aid to the conversion process. Sellers can both provide benefits, and benefit from, park sales in cooperation with the residents and public authorities. For example, some cities have been able to provide "friendly condemnations" letters in order to allow the sellers to qualify for relief from capital gains taxes on the sale proceeds. Some sellers may agree to carry-back some financing on the sale of the development and thereby receive a steady monthly payment without the responsibility of managing the park. Sellers may also cooperate with the buyers in assuming the seller's existing mortgage.

Assess Conditions of the Mobilehomes and Park Infrastructure

Sub-standard utility lines and/or other infrastructure can be a major cost factor in purchasing a park, and should be studied prior to purchase. In addition, many of the state and federal funding sources require that mobilehome sites have permanent utility hook-ups, and that the mobilehomes meet certain manufacture standards, and some funding sources require that the mobilehomes be attached to a permanent foundation.

The following discussion describes:

- major forms of mobilehome park resident ownership;
- federal, state and local funding sources for mobilehome parks; and
- examples of how conversions have been undertaken in California.

Forms of Resident Owned Mobilehome Parks

There are several forms that resident-owned mobilehome parks can take - including condominiums, non-profit mutual benefit corporations, stock cooperatives and limited equity cooperatives. The options provide for varying degrees of control for the residents and varying levels of affordability.

[68] Also see Semelsberger, Resident Purchases of Mobilehome Parks (1997, San Diego)

Condominiums and Subdivisions

Condominium ownership appears to be the most common form of mobilehome park resident ownership in California.[69] There are many mobilehome park condominiums in communities along the coast and in other areas with recreational amenities. In mobilehome park condominiums, individuals own their mobilehome, the air-space in which their mobilehome sits, and an undivided interest in the park's common areas and facilities. A homeowners' association (HOA) generally acts as the purchasing agent for the park as a whole, governs the operations and CC&R's of the park, and usually employs professional management to collect monthly HOA fees and maintain the common facilities. In subdivision, or planned development mobilehome parks, individual lots are created such that residents own not only their mobilehome but also purchase the lot. Common areas are owned either by an HOA entity, or are owned in common by the residents. Subdivision HOA's have the ability to assess common area maintenance fees which may become liens on individual properties.

Conversions of condominium and subdivision mobilehome parks are often financed privately, with a combination of a down-payment by the mobilehome owners for their spaces, plus conventional lender mortgage financing. The conversion to resident ownership allows the resident to build equity in their underlying individual spaces as well as their mobilehomes.

However, if affordable financing sources are not provided for those residents who either do not have the means or do not desire to make a purchase of the space a schism can develop in the mobilehome park community between renters and owners. In addition, there are significant costs associated with preparing condo or subdivision plans and often for improvements needed for existing park infrastructure as a condition to obtaining financing for the conversion. A number of cities, have been involved in assisting conversions to resident owned condominiums in order to preserve affordable housing.

Non-Profit Mutual Benefit Corporations

Mutual benefit corporations are another common resident ownership form, and they are governed by California nonprofit corporation law. In this instance, residents purchase a membership from the mutual benefit corporation, which gives them an exclusive right to a space in the mobilehome park. The corporation owns the park itself, and the members continue to own their own homes. The mobilehome resident owners pay a monthly membership fee which includes payment for the space as well as for operations and maintenance of the common areas. Mutual benefit corporations are governed by an elected homeowners' board. If a resident of the mobilehome park does not wish to purchase a membership at the time the park converts, that resident can continue to pay rent to the non-profit corporation and remain in the park. However, when a renting household wishes to sell their mobilehome in place, the homeowner's board can require that the new mobilehome purchaser buy a membership in the park. Once the initial

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[69] Resident initiated conversions to condominium ownership differ from park owner initiated conversions which commonly had little resident support. In 2015, the state law was amended to require that such conversions could not take place without substantial resident support.

membership is purchased, the transfer value of the membership is absorbed into the overall price of the mobilehome and space, and there are no limitations on the sale price of the mobilehome and space.

Mutual benefit corporations generally require consultants to assist with the formation of the corporation and with financing the purchase. Because of their non-profit status, mutual benefit corporations can qualify for a number of low-cost financing sources. However, one consultant-advocate of this model specifically looks for projects in which a significant number of residents are motivated enough to get involved – including financially - and thereby help keep costs down. Ongoing property management is typically provided by a professional firm.

Housing Stock Cooperatives and Limited Equity Cooperatives

Housing stock cooperatives are a form of corporation in which the resident members own shares of the corporation. In the case of existing mobilehome parks, residents who wish to purchase their park organize to incorporate as a stock cooperative with an elected board of directors. The cooperative takes title to the real estate, which may be in fee simple or by long term lease, and the resident "shareholders" have an exclusive occupancy right to at least one space. Residents also pay ongoing monthly operation costs and "rent". The exclusive occupancy rights are transferred with the sale of shares.[70] Cooperative boards have the right to approve new member shareholders, and a co-op can also terminate members and evict residents who violate occupancy agreements.

Limited Equity Cooperatives (LEC's) are a type of stock cooperative in which each member household is entitled to one share, one vote, and occupies the space to which the member has exclusive rights. In addition, the appreciation of individual LEC shares is limited to a maximum of 10% per year in California – although appreciation on the mobilehome itself is not limited.[71] As a result of these limitations on individual profitability, LEC's are by nature more affordable over time. LEC's also have access to a number of government financing sources and the National Cooperative Bank, and LEC consultants often layer multiple public and private funding sources in order to reduce membership share costs. On the other hand, co-ops are complex to form and finance, and typically require extensive work by organizational consultants. Cooperatives are not as common in California as they are in the New England states, as well as Oregon and Washington, where they are promoted, organized and financed by an organization called Resident Owned Communities, or ROC USA.

The primary differences between LEC's and mutual benefit corporations are that co-op share re-sale prices are restricted in an LEC, where there is no membership re-sale price in a mutual benefit corporation – and absent any conditions of financing, there are no resale restrictions on the mobilehome space. This, plus the addition of subsidized financing often found in co-op conversions tend to make them more affordable to residents in the long-term. In addition, LEC boards are authorized to approve new members and evict members that do not comply with co-

[70] See Calif. Civil Code 1351(m) and Calif. Corporations Code S. 25100.
[71] See Calif. Civil Code Sec. 817

op park regulations. Finally, co-ops tend to have more ongoing participation and control by the outside organizations that initially help form them.

Non-Profit Ownership of Mobilehome Parks

There are at least three affordable housing organizations in California that specialize in acquiring and operating mobilehome parks as affordable housing. Non-profit-owned mobilehome parks are generally purchased with tax-exempt bonds and other public financing mechanisms which substantially reduce purchase interest costs. While non-profit ownership greatly reduces the residents' control of their mobilehome park relative to resident ownership, long-term affordability of units in the park is ensured by Regulatory Agreements (see below), and management works with residents to offer activities and amenities that help create a sense of community.

Public Financing Sources For Mobilehome and Mobilehome Park Purchases and Rehabilitation

Tax Exempt Revenue Bonds

State and local governments have the power to issue bonds to finance mobilehome park acquisitions for affordable housing purposes, just as bonds are issued for multi-family housing construction. Proceeds from the sale of bonds may be used by a local government to directly acquire a mobilehome park, but more commonly are loaned to non-profit affordable housing entities for park acquisition and rehabilitation. The mobilehome park owner must ensure that at least 20% of the units are affordable to very-low income households (50% of median income), or that 40% of the units are affordable at 60% of median income. In practice, the low-income designated spaces can be re-assigned as low-income residents move in and out of the park, and with layered funding cities can require that more units are restricted for low-income households. The affordability requirements are memorialized in Regulatory Agreements which are a minimum of 15 years in duration, but are more often as much as 55 years. Local government bond financings are generally issued to fund a single loan for a particular project. Under these "conduit" financings, the bonds are limited obligations of the issuer - a city, or joint powers authority for example - and are secured only by a loan to the non-profit entity, which the issuer assigns to the bondholders or to a bond trustee to secure payment of the bonds. The issuer, therefore, takes no credit risk with respect to the project. Tax exempt bond financings are very often paired with the sale of affordable housing tax credits to investors, which provide additional funding for the project.

Successor Housing Agency Funds

Prior to the dissolution of redevelopment agencies statewide, cities used redevelopment housing set-aside funds as a primary source for financing the conversion of mobilehome parks. Cities with successor agencies still use housing set-aside funds, as available, for affordable housing development purposes.

Community Development Block Grant (CDBG) Funds and HOME Funds

CDBG and Home sources permit homebuyer funding for manufactured homes and home sites, and HOME also provides for tenant-based rental assistance. Under HOME, the manufactured unit must meet HUD Manufactured Home Construction & Safety Standards and must be connected to permanent utility hook-ups, but is not required to be on a permanent foundation. For homebuyer loans, the housing site must be owned by the homebuyer or under lease for the duration of the affordability requirements (5-15 years), and be subject to resale restrictions during that time. Escondido includes the purchase of manufactured homes in its HOME-funded Homebuyer Entry Loan Program (HELP) – which provides a fully-deferred down-payment loan in the maximum amount of 5% of the purchase price, or $25,000, whichever is greater.

HOME funds may also be used for rehabilitation where the home is occupied by its owner and meets the income requirements. HOME-funded rehabilitation projects do not require that the mobilehome owner owns their home site, and there are no recapture or re-sale requirements for rehabilitation projects. The City of San Marcos has an active HOME-funded residential rehabilitation program that includes rehab of manufactured homes.

Under the HOME program, the value of any homebuyer-occupied property may not exceed 95% of the median purchase price for that type of single family housing for the area, as published by HUD, and homeowners must have incomes at or below 80% or the area median income.[72]

CDBG funds can be used for resident purchase of a mobilehome park. In 1997, Sacramento County was awarded of waiver of CDBG regulations in order to provide a $275,575 loan to the Cedarwood Mobilehome Park Homeowners Association to assist in buying its park from the existing property owner. The waiver was sought because only 27% of the 192 units were occupied by low-to-moderate income households. However, an argument was successfully made that the CDBG loan represented less than 6% of the total purchase price, and that private funding was being secured in the amount of $4,845,000, which provided a very high leverage ratio for the CDBG funds.

State HCD Mobilehome Park Resident Ownership Program (MPROP)

The purpose of the program is to help preserve affordable mobilehome parks by financing conversion to ownership by residents, nonprofit housing sponsors or local public agencies. Local public agencies are eligible as interim owners only – generally for 3 years. The program offers short-term loans for up to three-years at 3%, to enable the purchase of a park. It also offers long-term "blanket" loans at 3% for long term financing of a park purchase, or to help low-income residents finance the purchase of shares or spaces in the park. Finally, the program

[72] See the HUD Notice CPD 03-05, Guidance on Manufactured Housing for HOME program requirements and information.

can provide long-term individual loans at 3% to low-income residents, when they buy a cooperative interest, share, or condominium or planned-unit development space in the park. These loans are meant to be subordinate to first mortgage financing. To meet eligible project guidelines, two-thirds of residents must support the conversion. This has been a difficult requirement to meet in previous years (see San Marcos and Escondido below). The park must also show that at least 30% of the residents are low-income households (80% of median income). The applicant must have site control at the time of application, and subdivided parks must have a Final Subdivision Public Report from the Department of Real Estate. The program requires that no displacement of existing residents occur as part of the conversion, or that any displacement be mitigated in accordance with State Relocation Guidelines. There are many other requirements to this program, which can be viewed on the HCD web-site.

In 2014, three major changes to the program were authorized.[73] : 1) long term "blanket" loans are extended from 30 to 40 years to make them more attractive; 2) the maximum amount of amount of the (subordinate) MPROP loan is 50% of the costs, and the total debt – or loan-to-value – on the property can be equal to as much as 115% of the value of the property; and 3) MPROP loans can now be used for rehabilitation of mobilehomes and infrastructure.

A Notice of Funding Availability (NOFA) was previously issued in 2011, and while there were several projects that attempted to utilize the funding, ultimately there no awards were made at that time.[74] The program currently has approximately $22 million in its fund, plus $8 million that is earmarked for a **new NOFA to be issued as early as February, 2015**.

California Housing Finance Agency (CalHFA)

CalHFA has two first mortgage loan programs, CalHFA-FHA and CalPLUS-FHA, both of which can be used to purchase manufactured homes that are on permanent foundations. In addition, the California Homebuyer's Down-payment Assistance Program (CHDAP) also can be used by first-time homebuyers to purchase a manufactured home that is on a permanent foundation, when combined with a Federal Home Administration (FHA) insured first mortgage. Homebuyer income limits for these programs appear to match HCD's moderate-income limits. Leaseholds, Land Trusts and Co-ops are not permitted under these programs; therefore, it would appear that they only apply to mobilehomes on owner-occupied lots or condominium spaces. The Cal HFA programs have only been recently expanded to include manufactured homes.

Examples of Mobilehome Park Resident and Non-profit Ownership

San Marcos and Escondido – Mobilehome Park Condominium Conversions: The City of San Marcos has 18 mobilehome park communities, containing over 3,500 spaces. Five of these parks are resident-owned condominium parks, and four are owned by non-profit affordable housing firms which specialize in mobilehome park acquisitions The residents of five of these parks came to the City in the 1990's to request the City's assistance in converting them to

[73] AB 225
[74] Several interviewees attributed the lack of utilization of the program due to its complexity.

resident-owned condominiums. Of these five, the three senior/55+ park residents were well-organized and most residents had the means to purchase their own spaces. The City approved condominium maps for these parks, and assisted the conversions by purchasing spaces in these parks that existing residents could not afford to buy.

For the two other "all ages" parks, the residents were not as well-financed, and the City purchased these parks outright and then converted them to resident-owned condominiums. Funding used for the purchase included redevelopment set-aside and MPROP funds. Difficulty arose after the MPROP award, when one of the mobilehome parks could not retain commitment by two-thirds of the residents to purchase their sites, and the MPROP award was withdrawn. This problem was later resolved by special legislation (SB 360), which also applied to Escondido. In addition to significant funding, these two "all ages" park conversion projects took considerable amount of staff time to complete. As a result, when two more mobilehome park groups requested the City's assistance, San Marcos worked with a non-profit affordable housing firm to acquire the parks.

As a result of the City's assistance in the case of the five mobilehome parks, a number of units in these parks are rent and resale deed restricted to lower to moderate-income households. Some of these deed-restricted units are currently financed using a City operated loan program, at $40,000 per space. In addition, the City is currently working with a California Public Utilities Commission-funded pilot program to assist mobilehome parks to individually meter their spaces, and to upgrade utility lines, which are aging in many parks.

Similarly, in 1990, the City of Escondido purchased two mobilehome parks at the request of the residents, and has converted these to condominiums. The two parks have 209 and 152 spaces respectively. The City also used State MPROP and redevelopment funds to acquire these parks, and also experienced delays in the project, and difficulty in retaining interest by two-thirds of the residents in acquiring their spaces, and as a result, the State would not release the MPROP funds until SB 360 was passed to resolve their situation. Escondido converted the parks to condominiums, sold lots to residents, and retained those units where residents could not afford to purchase their lots, or were not interested in buying. Avoiding displacement of existing residents was a major concern for Escondido, as well as a requirement of the funding. At present, the City still retains 5 spaces in one of the parks, and 25 spaces in the other.

Aptos Knoll Estates, Aptos, CA – A Non-profit Mutual Benefit Corporation, 76 sites, Senior/55+ Community: In 2005**,** Aptos Knoll Estates Mobile Home Park was converted to resident ownership as a mutual benefit corporation. Of the 76 households, 62, or 81% purchased a membership in the Aptos Knolls Mobilehome Owners Association (AKMOA) for $15,000 each. 50 of these residents funded this membership with their own cash, and 12 members borrowed 95% of the membership price through an AKMHOA-funded loan program. This loan program was funded by existing resident-members who had the means of providing the additional cash. The remaining 14 existing residents remained as renters – under a local rent control ordinance. Many of these spaces are now occupied by AKHMOA members. In summary, the financing worked as follows:

Aptos Knolls Estates Financing		
	Per Space	**Total**
Park Purchase Price	$51,316	$3,900,000
Financing/Transaction Costs	$5,395	$410,000
Total Costs	$56,711	$4,310,000
Member Down-payments		
50 residents - all cash	$15,000	$750,000
12 residents - payment included AKMHOA loans	$15,000	$180,000
First Mortgage Loan	$44,474	$3,380,000
Total Funding*	$56,711	$4,310,000
*note - the financing costs on a per space basis was higher for those residents who participated in the purchase, and lower for those who did not.		

The first mortgage loan had a 30-year amortization rate, but was due in 10 years. As a result, the initial first mortgage would need to be refinanced in 10 years. However, by that time, the AKMHOA had a financial track record in place, and would be more easily able to secure long-term financing. The member monthly payments worked out to be approximately $550, or 26% over the previous average member monthly site rent of $437. Those members who financed their membership down-payment through the 95% AKMHOA loan, made an initial payment of $750.

This financing and ownership scenario has also worked for lower-income, smaller parks. For example, the Palm Terrace Mobile Home Park in Aptos, which has 36 sites, was purchased for $1.6 million. Similar to Aptos Knolls, there was a 10-year/30-yr amortization, and residents came up with the remaining equity. The residents cleaned up the park (the club house needed work), and over time, residents replaced older mobilehomes with new ones. As a result, there has been some appreciation in the park value.

The financial and legal consultants who provided assistance for these mobilehome park conversions generally set a goal of 80% participation by residents in order to be successful. They look for situations in which the current residents are upset by increasing rents or park management, and are motivated to take action and come up with equity funds for the purchase. In addition, some form of assistance for homeowners who are not able to provide a large down payment is generally necessary. In some cases this assistance was obtained through carry-back financing provided by the seller. The benefits to the seller of carrying back financing on a sale are that capital gains taxes on the sale out over a number of years, and the interest rate on the loan would exceed the rates paid on bank deposits and bonds.

Conventional lenders are often reluctant to get involved in mobilehome park conversions, because there is not enough homeowner equity in the deal and such transactions are more complicated and time consuming than other loans. Large first mortgage loans are needed to make up the difference, and these generally cause mobilehome space "rent" increases. In addition, due to the costs of setting up the corporation and obtaining financing, it is not generally efficient for smaller parks to convert.

Leisureville Mobile Home Park, Woodland CA, A Limited Equity Cooperative, 150 sites, Senior 55+ Community: The Leisureville Mobile Home Park had been privately-owned up until the mid-1990's. The impetus for the residents to purchase the park came as a result of the landlord's announcement to raise space rents significantly in 1993. The residents organized and petitioned the City of Woodland to adopt a mobilehome park rent control ordinance. The Woodland City Council became involved in discussions with the landlord, and an agreement was reached whereby the landlord would roll-back part of the rent increase, tie future rent increases to the consumer price index, and consider selling the park to the residents. The residents then withdrew their request for rent control. Subsequently, the residents hired a consulting team, and established the Leisureville Community Association, as a limited equity co-op entity to purchase the park. The resident cooperative shares were initially priced at $5,000 per space. At close of escrow in 1995, 130 (86%) of the 150 households had joined the co-op. In summary, the financing worked as follows:

Leisureville Mobile Home Park Financing		
	Per Space	**Total**
Park Purchase Price	$33,667	$5,050,000
Finaning/Transaction Costs/Reserves	$2,333	$350,000
Total Costs (approx.)	$36,000	$5,400,000
Grants/Subordinate Loans	$13,100	$1,965,000
Grant by faith-based organization - $5,000		
Forgivable loan by Co-op Development Foundation - $30,000		
Northern Calif. Community Loan Fund - $300,000		
Loan by Mercy Housing of Denver - $500,000		
Woodland CDBG loans for Co-op Shares - $275,000 avail.		
- est. $130,000 used (26 shares)		
Loan by State HCD HOME program - $1,000,000		
Total Member-Share Down-payments		
50 residents - all cash at $5,000	$5,000	$250,000
Low-income partial share purchases - equiv. to 20 shares	$5,000	$100,000
Resident/Consultant loans for share purchase by non low-income residents - 34 shares	$5,000	$170,000
Assumption of Prior Owner's Mortgage Loan	$19,433	$2,915,000
Total Funding (approx.)*	$36,000	$5,400,000
*note - the financing costs on a per space basis was higher for those residents who participated in the purchase, and lower for those who did not.		

Through various loan covenants, 76 (51%) of the units are restricted to low-income senior households. New residents at the park are required to purchase a share in the co-op, and the City's revolving loan fund continues to provide financing for lower-income residents purchase costs at the park. In addition, under California law the mobilehome park residents were able to assume the seller's previous property tax assessment, thus avoiding a significant property tax increase. Although rent control was eventually adopted in Woodland, Leisureville's monthly operating charges (or "rent") per space have remained lower than other mobilehome parks in the city. This is in part due to the amount of subsidized financing provided to the co-op; however, it is also due to the residents' control of operating costs in their park, and their ability to pass on cost savings.

The Tropics Mobilehome Park, Union City, CA, 544 sites, senior 55+ Community: In the late 1990's, according to interviewees, the Tropics' previous owner had contentious relationship with his mobilehome park residents, generally over rent increases, and residents appealed to the City. Union City adopted a rent control ordinance that limited rent increases to 90% of annual CPI increase. The Tropics owner challenged the City's ordinance, and the court over-turned the ordinance. A non-profit experienced in mobilehome park acquisitions then approached the owner and made a purchase offer of approximately $36 million for the park ($66,174/space). Then after the owner announced major rent increases, the City then began to work with the owner and the non-profit, and agreed to put in an additional $2.5 million to help fund the purchase.

The non-profit then worked through a joint powers authority to issue tax exempt revenue bonds in the amount of approximately $30 million. As a result, 20% of the units are restricted to lower-income residents. The owner also carried back a tax exempt second mortgage. At the owner's and the buyer's request, and in order to support the debt, the City held a special election for the park residents to consider raising their rents, which the residents approved. An interim rental assistance program for residents who could not afford the increases was also set up. The City required as a condition of participation that new owner would honor the City's rent control ordinance and limit annual rent increases to 90% of CPI adjustment.

Since purchase of the park in 2000, the non-profit has refinanced the bonds several times. One of the re-financings resulted in surplus proceeds, which were split 50/50 between lowered rents and repairs to the park. Space rents currently average approximately $650/space. Extremely low income households are receiving annual rent stipend of $157/month from City and very-low income households receive a $75/month stipend.

Aztec Mobile Home Estates, Yucca Valley CA, 164 spaces, 55+ Community (2014) Yucca Valley MHP was purchased by a non-profit organization which owns 20 mobile home parks in the state. The non-profit prefers to acquire parks of at least 100 spaces, and prefer parks with facilities such as a clubhouse, pool, and laundry room. Typical financing model includes tax exempt bond financing to fund the majority of the purchase price. The non-profit sold a $100 million new money and refunding bond issue through the California Municipal Finance Authority (CMFA) in May, 2014 involving 9 of their parks, including the acquisition and rehabilitation of 3 new parks in Yucca Valley, Lancaster and Palmdale. The nonprofit has been able to finance the purchases without local government assistance.

Appendix A

State Laws Regarding Mobilehome Park Closures

California Code Provisions Governing Mobilehome Park Closures

Civil Code 798.56.

A tenancy shall be terminated by the management only for one or more of the following reasons: ...

(g) Change of use of the park or any portion thereof, provided:

(1) The management gives the homeowners at least 15 days' written notice that the management will be appearing before a local governmental board, commission, or body to request permits for a change of use of the mobilehome park.

(2) After all required permits requesting a change of use have been approved by the local governmental board, commission, or body, the management shall give the homeowners six months' or more written notice of termination of tenancy.

If the change of use requires no local governmental permits, then notice shall be given 12 months or more prior to the management's determination that a change of use will occur. The management in the notice shall disclose and describe in detail the nature of the change of use.

(3) The management gives each proposed homeowner written notice thereof prior to the inception of his or her tenancy that the management is requesting a change of use before local governmental bodies or that a change of use request has been granted.

(4) The notice requirements for termination of tenancy set forth in Sections 798.56 and 798.57 shall be followed if the proposed change actually occurs.

(5) A notice of a proposed change of use given prior to January 1, 1980, that conforms to the requirements in effect at that time shall be valid. The requirements for a notice of a proposed change of use imposed by this subdivision shall be governed by the law in effect at the time the notice was given.

(h) The report required pursuant to subdivisions (b) and (i) of Section 65863.7 of the Government Code shall be given to the homeowners or residents at the same time that notice is required pursuant to subdivision (g) of this section.

Government Code 65863.7.

(a) 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.

(b) The person proposing the change in use shall provide a copy of the report to a resident of each mobilehome in the mobilehome park at least 15 days prior to the hearing, if any, on the impact report by the advisory agency, or if there is no advisory agency, by the legislative body.

(c) When the impact report is filed prior to the closure or cessation of use, the person or entity proposing the change shall provide a copy of the report to a resident of each mobilehome in the mobilehome park at the same time as the notice of the change is provided to the residents pursuant to paragraph (2) of subdivision g) of Section 798.56 of the Civil Code.

(d) When the impact report is filed prior to the closure or cessation of use, the person or entity filing the report or park resident may request, and shall have a right to, a hearing before the legislative body on the sufficiency of the report.

(e) The legislative body, or its delegated advisory agency, shall review the 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.

(f) If the closure or cessation of use of a mobilehome park results from the entry of an order for relief in bankruptcy, the provisions of this section shall not be applicable.

(g) The legislative body may establish reasonable fees pursuant to Section 66016 to cover any costs incurred by the local agency in implementing this section and Section 65863.8. Those fees shall be paid by the person or entity proposing the change in use.

(h) This section is applicable to charter cities.

(i) This section is applicable when the closure, cessation, or change of use is the result of a decision by a local governmental entity or planning agency not to renew a conditional use permit or zoning variance under which the mobilehome park has operated, or as a result of any other zoning or planning decision, action, or inaction. In this case, the local governmental agency is the person proposing the change in use for the purposes of preparing the impact report required by this section and is required to take steps to mitigate the adverse impact of the change as may be required in subdivision (e).

(j) This section is applicable when the closure, cessation, or change of use is the result of a decision by an enforcement agency, as defined in Section 18207 of the Health and Safety Code, to suspend the permit to operate the mobilehome park. In this case, the mobilehome park owner is the person proposing the change in use for purposes of preparing the impact report required by this section and is required to take steps to mitigate the adverse impact of the change as may be required in subdivision (e).

65863.8. A local agency to which application has been made for the conversion of a mobilehome park to another use shall, at least 30 days prior to a hearing or any other action on the application, inform the applicant in writing of the provisions of Section 798.56 of the Civil Code and all applicable local requirements which impose upon the applicant a duty to notify residents and mobilehome owners of the mobilehome park of the proposed change in use, and shall specify therein the manner in which the applicant shall verify that residents and mobilehome owners of the mobilehome park have been notified of the proposed change in use. Neither a hearing on the application, nor any other action thereon, shall be taken by the local agency before the applicant has satisfactorily verified that the residents and mobilehome owners have been so notified, in the manner prescribed by law or local regulation.

Government Code Provision Applicable to Conversions Pursuant to Subdivision Applications

66427.4.

(a) At the time of filing a tentative or parcel map for a subdivision to be created from the conversion of a mobilehome park or floating home marina to another use, the subdivider shall also file a report on the impact of the conversion upon the displaced residents of the mobilehome park or floating home marina to be converted. In determining the impact of the conversion on displaced mobilehome park or floating home marina residents, the report shall address the availability of adequate replacement space in mobilehome parks or floating home marinas.

(b) The subdivider shall make a copy of the report available to each resident of the mobilehome park or floating home marina at least 15 days prior to the hearing on the map by the advisory agency or, if there is no advisory agency, by the legislative body.

(c) The legislative body, or an advisory agency that is authorized by local ordinance to approve, conditionally approve, or disapprove the map, may require the subdivider to take steps to mitigate any adverse impact of the conversion on the ability of displaced mobilehome park or floating home marina residents to find adequate space in a mobilehome park or floating home marina, respectively.

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

(e) This section shall not be applicable to a subdivision that is created from the conversion of a rental mobilehome park or rental floating home marina to resident ownership.

Appendix B

Table on Available Mobilehome Spaces within 20 miles from Wheeler Mobilehome Park Relocation Impact Report

Source: Data in Report Submitted on Behalf of the Owner Wheeler Trailer Park (2014)

Data from Relocation Impact Report Submitted on Behalf of the Owner of Wheeler Trailer Park in 2014

Survey of Mobilehome Parks within 20 miles of Wheeler Trailer Park

Park Name	City	No. of Spaces	Space Rent	MH's Available for Rent	MH's Available for Purchase	Purchase Price	Vacant Spaces
Santa Anita Village	Arcadia	40	750	0	0		0
Capri Gardens	El Monte	78	700-800	0	Many	Varies	0
Brookside	El Monte	421	1,482	0	7	25,900 to 29,000	
Fountain Blue MHP	Baldwin Park	65	735	0	1	46,000	0
Wildwood MHP	Hacienda Heights	456	800-1,000	0	Many		0
El Monte Air	S. El Monte	77	750-850	0	1		0
Villa Nova MHP	Pico Rivera	155		0	4		0
Friendly Village	West Covina		760	0	4		0
Hillview	Walnut	59		0	0		0
Tumbling Waters	Covina	113	820	0	5		0
Arrowhead MHP	Glendora	85	1,050	0	0	23,000 - 65,000	0
AAA Trailer Estates	Los Angeles	27	650-700	0	2		1
Starlite Mobile Estates	West Covina	252	700-900	0	Many		0
Mobile Air Estates	Covina	103	775-975	0	3	13,000 to 21,000	0
Bonita Mobile Estate	Glendora	80	511	0	1		0
Rancho Glendora Mobile Villas	Glendora	176	905	0	2		0
Vista del Monte	Monrovia	87		0	0		0
Tree Lane MHP	Duarte	90	635	0	1		0
Walnut Grove MHP	Monrovia	51	475	0	0		0
Foothill Vista MHP	Azusa	205	720-840	1	4	35,000 to 50,000	0
Welcome Home Trailer Park	Montebello	67	650	1	4	18,900 to 40,000	0
Villa Capri MHP	Montebello	54		0	0		0

Source: Relocation Impact Report El Monte 2 - Tyler and Garvey Project
Exhibit E - Available Mobile Home Spaces and Units for Rent/Purchase
Prepared for City Ventures 1900 Quail St. Newport Beach, CA by Overland, Pacific & Cutler,Inc., Irvine, CA (June 12, 2014)

Appendix C

Resident Survey Cover Letter and Survey Form in English and Spanish

and

Park Manager/Owner Survey Cover Letter and Survey Form

Minh Thai
Economic Development Director

CITY OF EL MONTE
ECONOMIC DEVELOPMENT DEPARTMENT

Dec. 31, 2014

Dear El Monte Mobile Home Park Resident,

The City of El Monte is undertaking a survey of its mobile home park residents.

The purpose of the survey is to gather information about the households who reside in the City of El Monte in mobile home parks. Your responses will provide valuable information to the City in considering the programs and regulations involving mobile home parks. The El Monte City Council will be reviewing its current regulations in February 2015.

I urge you to take a few minutes to complete the enclosed survey and to return it in the envelope to the City Surveyor.

The survey is anonymous. Please do not place your name or address on either the survey form or the envelope. All responses will be entirely confidential. If you have any questions you may phone (626) 580-2070.

The information from the responses will only be used in combination with other responses in order to produce statistical reports. A summary of the data from the returned surveys will be presented in a report to the El Monte City Council about the situation of mobile home owners in El Monte.

Thank you for your cooperation.

Fernando Lopez

Fernando Lopez, Housing Manager

11333 VALLEY BOULEVARD, EL MONTE, CALIFORNIA 91731-3293 / (626) 258-8626 / FAX (626) 580-2293
WEBSITE: www.ci.el-monte.ca.us

Do NOT put your name or address on this survey form

(if a question is not applicable - write "N/A")

SURVEY OF EL MONTE MOBILEHOME PARK RESIDENTS

1. What type of mobilehome do you live in? (check one)
- **Singlewide** _____
- **Doublewide** _____
- **Triplewide** _____

2. What are the dimensions of your mobilehome? **Length**_____ **Width**_____

3. In what year did your household move into the mobilehome? _ _ _ _

4. Before you moved into the mobilehome park where did you live?_______________
City **State**

5. Before you moved into the mobilehome park what type of housing did you live in? (check one)
- **apartment rental unit** ___
- **house you owned** ___
- **another mobilehome park**___
- **house you rented** ___
- **condominium you owned** ___
- **other** (please describe) ___

6. What was the monthly rent when your household moved in? **$**__________

7. What is your current monthly space rent? **$**__________

8. In addition to the monthly space rent, what other costs do you pay for? (check those that apply)
Gas ___ **Electricity** ___ **Water** ___ **Sewer**___ **Garbage**___ **Other** (list) ______

9. Does your household own or rent the mobilehome? (the home, not the space)
- **Own** _____
- **Rent** _____

If you do not own the mobilehome skip to Question #20

10. In what year was your mobilehome manufactured? _ _ _ _

11. Do you have insurance on your mobilehome **Yes** ___ **No** ___

12. If you have insurance, what is the cost per year for the INSURANCE? $______

13. Do you pay PROPERTY TAXES or taxes to the DMV? ________

14. How much do you pay each year **$______**

15. What was the purchase price of your mobilehome? **$ ________**

16. Did you pay in full (all cash) for your mobilehome? **Yes ___** **No ___**

17. If you did not pay all cash, how much was your downpayment? **$________**

18. What is the total mortgage due NOW on your mobilehome, if any? **$________**

19. What are your monthly mortgage payments NOW, if any? **$________**

20. Including yourself, how many persons live in the mobilehome? **____**

21. Please fill in the following information about the adults (persons 18 or older) in your household:

	Age	Employed Full-time	Employed Part-time	Not working	Retired
Household Member #1	__	☐	☐	☐	☐
Household Member #2	__	☐	☐	☐	☐
Household Member #3	__	☐	☐	☐	☐
Household Member #4	__	☐	☐	☐	☐

22. What are the ages of any children in your household?

Child #1____ Child #2______ Child #3______ Child #4______Child #5___

23. What was the total income of your household in 2013 before taxes? (please include income from all sources including social security, pension, interest, dividends, and any public assistance) (check one)

under $15,000 ____
$15,000 - $19,999 ____
$20,000 - $29,999 ____
$30,000 - $39,999 ____
$40,000 - $49,999 ____
$50,000 $59,000 ____
$60,000 - $74,999 ____
$75,000 or more ____

CITY OF EL MONTE
ECONOMIC DEVELOPMENT DEPARTMENT

Minh Thai
Economic Development Director

31 diciembre 2014

Estimado Residente de Casa Móvil,

La Ciudad de El Monte está llevando a cabo una encuesta de residentes de casas móviles.

El propósito de la encuesta es obtener información sobre las familias que residen en la Ciudad de El Monte en casas móviles. Sus respuestas proveerán información valiosa a la Ciudad al considerarse programas y regulaciones para los parques de casas móviles. El Consejo Municipal de El Monte revisara las regulaciones actuales en febrero del 2015.

Se le urge que tome unos minutos para completar la encuesta y retornarla en el sobre al empleado municipal.

La encuesta es anónima. Por favor no escriba su nombre o dirección en la encuesta o el sobre de retorno. Todas las respuestas serán enteramente confidenciales. Si tiene alguna pregunta, puede llamar al 626-580-2070.

La información obtenida de esta encuesta se usara solamente en combinación con otras respuestas para producir informes estadísticos. Un resumen de los datos obtenidos de las encuestas completadas serán presentadas en un reporta al Consejo Municipal de La Ciudad de El Monte sobre las condiciones de dueños de casa móviles en El Monte.

Gracias por su cooperación.

Fernando Lopez

Fernando Lopez, Housing Manager

11333 VALLEY BOULEVARD, EL MONTE, CALIFORNIA 91731-3293 / (626) 258-8626 / FAX (626) 580-2293
WEBSITE: www.ci.el-monte.ca.us

No ponga su nombre o su dirección en este formulario

(si una pregunta no es aplicable - escriba "N/A")

ENCUESTA DE RESIDENTES DE PARQUES DE CASAS MÓVILES DE EL MONTE

1. ¿En qué tipo de casa móvil vive? (*seleccione uno*) **Sencilla o Singlewide** _____
Doble o Doublewide _____

2. ¿Cuáles son las dimensiones de su casa móvil? **Largo**______ **Ancho**_____

3. ¿En qué año se mudó a su casa móvil? _ _ _ _

4. Antes de mudarse al parque de casas móviles, ¿dónde vivía? _______________
Ciudad Estado

5. Antes de mudarse al parque de casas móviles, ¿en qué tipo de vivienda vivía? (*seleccione uno*)

apartamento que rentaba	___	**casa que rentaba**	____
casa donde era dueño	___	**condominio donde era dueño**	____
otro parque de casas móviles	___	**otro** (describa)	______________

6. ¿Cuál era la mensualidad de alquilar el espacio cuando su familia se mudó al parque?

$_________

7. ¿Cuál es la mensualidad de alquiler actual del espacio? **$**__________

8. Además de la mensualidad de alquiler por el espacio, ¿qué otros gastos paga?
(*seleccione todo lo que aplique*)
Gas ___ **Electricidad** ___ **Agua** ___ **Drenaje**___ **Basura**___ **Otro:**___________

9. ¿Es dueño o renta su casa móvil? (la casa, no el espacio) **Dueño** ______
Renta ______

Si usted NO es dueño de la casa móvil, pase a la pregunta #20

10. ¿En qué año fue fabricado su casa móvil? _ _ _ _

11. ¿Tienes seguro en su casa móvil? **Si** ___ **No** ___

12. Si usted tiene seguro, ¿cuál es el costo por año por el seguro?$** **$_________

13. ¿Paga impuestos de propiedad o impuestos al DMV? _________

14. Si usted paga impuestos de propiedad, ¿cuánto es el pago anual? $_________

15. ¿Cuál fue el precio de compra de sus casas móviles? $ _________

16. ¿Pagaste por completo (en efectivo) tu casa móvil? Sí ___ No ___

17. Si no pagaste todo en efectivo, ¿cuánto fue el anticipo? $_________

18. ¿Cuál es el total de la hipoteca de tu casa móvil, si es que debe? $_________

19. ¿De cuánto es su pago mensual de hipoteca, si es que tiene? $_________

20. Incluyéndose a usted, cuántas personas viven en su casa móvil? _________

21. Por favor, llene la siguiente información acerca de los adultos (personas de 18 años de edad) en su hogar:

	Edad	Empleado Tiempo Complete	Empleado Parcial	No Empleado	Retirado
Miembro #1	__	☐	☐	☐	☐
Miembro #2	__	☐	☐	☐	☐
Miembro #3	__	☐	☐	☐	☐
Miembro #4	__	☐	☐	☐	☐

22. ¿Cuáles son las edades de los niños menores de edad en su hogar?

Niño #1_____ **Niño #2**_____ **Niño #3**_____ **Niño #4**_____ **Niño #5**_____

23. ¿Cuál fue el total de ingresos de su hogar en 2013 antes de impuestos? (por favor incluya ingreso de todas las fuentes, incluyendo seguro social, pensiones, intereses, dividendos y cualquier asistencia pública) (*seleccione uno*)

Menos de $15,000 ____
$15,000 - $19,999 ____
$20,000 - $29,999 ____
$30,000 - $39,999 ____
$40,000 - $49,999 ____
$50,000 $59,000 ____
$60,000 - $74,999 ____
$75,000 o Más ____

Minh Thai
Economic Development Director

CITY OF EL MONTE
ECONOMIC DEVELOPMENT DEPARTMENT

Jan.6, 2015

Dear Mobilehome Park Manager,

The City of El Monte is undertaking a study of mobilehome park space rentals.

Last April (2014), the City extended its rent stabilization ordinance, which is applicable to mobilehome parks with more than 100 spaces. (Municipal Code chapter.8.70, Ordinance 2829)

The ordinance requires that a study be prepared in conjunction with the City's consideration of a renewal of that ordinance.

The purpose of this survey is to gather information that would aid the City in its review of ordinances regarding mobilehome parks, which will take place in February.

We request that you complete the enclosed questionnaire and return it in the enclosed stamped return envelope by January 15, 2015.

If you have any questions you may phone (626) 580-2070.

Thank you for your cooperation.

Fernando Lopez
Fernando Lopez, Housing Manager

11333 VALLEY BOULEVARD, EL MONTE, CALIFORNIA 91731-3293 / (626) 258-8626 / FAX (626) 580-2293
WEBSITE: www.ci.el-monte.ca.us

City Survey of El Monte Mobilehome Parks

For questions, please contact ______________________

1. Name of Park:	
2. Park address:	Zip Code
3. Contact person:	Tel. No. ( ) Email
4. Year Park constructed:	
5. No. of acres:	
6. Year Park purchased:	
7. Number of spaces in the Park:	
8. Number of mobilehome spaces occupied by homes that are:	RVs Singlewides Doublewides Triplewides Other (describe)
9.. How many spaces in the Park are vacant?	
10. Facilities in the Park (circle all that apply) pool clubhouse laundry others	
11. What is the average rent for occupied spaces ? (excluding separate charges for utilities)	$
12. What is the range of rents? If most rents are in certain ranges please indicate	$
13. Rents for new incoming tenants	$
14. What utilities are included in the rent? (circle each that applies) gas electricity water sewer refuse list any others	
15. Does the Park own any of the mobilehomes in the park? (circle one)	Yes No
15a. If yes, how many?	
15b. If yes, how many park-owned mobilehomes are rented?	
15c. If yes, how many park-owned mobilehomes are for sale?	
16. How many spaces are covered by leases of more than one year?	
17. What are the requirements for mobilehomes being moved into the park? – e.g. only new, up to a certain age, size, condition	
18. **If known**, how many mobilehomes were sold in place to new tenants?	In 2014 2011-2013

Thank you for your help!

2015 Survey for City of El Monte

Please return this survey in the enclosed envelope by _______

Appendix D

Data on MHP Rents, Vacancies, Mobilehomes for Sale

from April 2012 City Survey of Park Owners

DATA FROM APRIL 2012 CITY SURVEY OF PARK OWNERS

NAME OF PROPERTY ADDRESS	PERSON COMPLETING SURVEY/CONTACT #	single or dw	COST PER SPACE	No OF SPACES	VACANT SPACES	VACANT HOMES	NUMBER OF FOR SALE
Acorn Trailer Park	Sho Tay	sw	$ 400.00	20	0	3	0
2818 Durfee Avenue	626-447-2935	dw	N/A				
Capri Gardens	Bruce Bender	sw	$ 500.00	57	0	2	3
3541 Baldwin Ave.	626-355-2233	dw	$ 575.00				
Daleview MH Estates	Pres/Dolly Perdue	sw	N/A	175	1	3	3
4800 Daleview Ave.	626-579-0600	dw	$ 700.00				
Elrovia Trailer Park	VINCENT MC MILLEN	sw	$ 245.00	76	0	3	2
4849 Peck Rd.	626-448-4234	dw	$ 270.00				
J & E Trailer Park	Joe V. Gomez	sw	$ 600.00	*11*	3	1	0
2150 Durfee Ave.	626-443-0606	dw	$ 850.00				
Lamplighter Trailer Park	Greg & Karen Loucks	sw	$ 485.00	21	0	0	UNK
2662 Mountain View Rd.	505-955-1821	dw	$ 498.00				
Maxson Pine Mobile Manor	Jacqueline Palomino	sw	$ 500.00	*57*	1	0	0
3335 Maxson Rd.	818-741-8421	dw	$ 550.00				
Midget Trailer Park	Maria Alicia Robles	sw	N/A	11	0	0	0
9903 Garvey Ave.	626-444-7396	dw	$ 500.00				
Mountain View Trailer Court	CLETE COGDILL	sw	$ 250.00	*17*	0	0	0
2431 Mountain View Rd.	626-810-6295	dw	$ 280.00				
N & V Trailer Park	Gloria Wong	sw	$ 600.00	*9*	0	0	0
10118 Garvey Ave.	213-628-7645	dw	N/A				
Rolling Homes Trailer Park	K. Ilene Lieder	sw	$ 450.00	19	1	1	0
2606 Santa Anita Ave.	626-350-0093	dw	N/A				
Santa Fe Mobile Homes	Chuck Lewis	sw	$ 650.00	*110*	0	0	0
10484 Valley Blvd.	626-236-6618	dw	$ 700.00				
Shady Lane Mobile Park	Abel Montes	sw	$ 595.00	20	0	0	0
2826 Meeker Ave.	626-434-5856	dw	$ 650.00				
Shady Lane Trailer Park	D.S. Ghrman	sw	$ 550.00	20	8	8	0
2532 Mountain View	626-443-3354	dw	N/A				
Toktagodi Farms 1	Rosa Alarcon	sw	$ 510.00	30	2	0	0
10107 Garvey Ave.	626-482-1076	dw	N/A				
Vagabond Villa Park	Pat Claisse	sw	$ 500.00	38	0	0	6
10037 Garvey Ave.	Space #32	dw	N/A				
Victory Trailer Park	Jackson CF Chow	sw	$ 500.00	3	0	0	0
11208 Garvey Ave.	626-277-8432	dw	N/A				
TOTAL				674	16	21	14

Source: Data sheet provided by City Staff

Appendix E

Author's Resume

CURRICULUM VITAE

Kenneth Kalvin Baar
Urban Planner & Attorney
2151 Stuart St. Berkeley, Ca. 94705
kenbaar@aol.com

Education:

B.A., 1969, Wesleyan University, Middletown, Conn. Major: Government

J.D., 1973, Hastings College of Law, Univ. of California, San Francisco, Ca.

M.A., 1982, Urban Planning, University of California at Los Angeles

Ph.D., 1989, Urban Planning, University of California at Los Angeles
(Dissertation topic: "Explaining Crises in Rental Housing Construction: Myth and Schizophrenia in Policy Analysis")

Foreign Languages: French and Italian

Teaching:

Instructor, San Francisco State University, Urban Studies Program (1983-1984)

Visiting Professor (Fulbright Scholar), Budapest University of Economic Sciences (Sept. 1991- June 1993)

Visiting Assistant Professor, Urban Planning Department, School of Architecture, Planning, and Preservation, Columbia University, New York (1994 - 1995) (courses: planning law, introduction to housing, comparative housing)

Visiting Professor (Fulbright Scholar), Technical University, Tirana, Albania
(Introduction to urban planning) (2002-2003)

Short Courses, Series of Lectures

Kiev University Law School, real estate law (1992, one week course)

Polis University, Tirana, Albania, urban planning studios (two week courses, 2009 & 2010)

Projects:

Consultant to California cities and counties on mobilehome park rent control policies, drafting of ordinances, fair return issues, and/or mobilehome ownership characteristics and market studies (1985-2014) (American Canyon, Azusa, Capitola, Carpinteria, Carson, Ceres, Chula Vista, Citrus Heights, Clovis, Cotati, Escondido, Fremont, Fresno, Healdsburg, Milpitas, Marina, Modesto, Montclair, Oceanside, Palmdale, Palm Desert, Perris, Riverbank, Rohnert Park, Salinas, San Marcos, Santa Cruz County, Santa Rosa, Santee, Simi Valley, Sonoma, Vallejo, Ventura, Visalia, Watsonville, Yucaipa)

Study of the Operation of the Mobilehome Ownership and Mobilehome Park Space Rental Market for the City of Los Angeles (2011)

Study of Development Impact Fees for the City of Los Angeles (in association with Economic Roundtable, Los Angeles)(2009-2010)

Study of Performance of Rental Housing Investments for the City of Los Angeles (in association with Economic Roundtable, Los Angeles)(2007-2009)

Consultant to California cities drafting of apartment rent control ordinances and/or regulations. Oakland, Santa Monica, Cotati, East Palo Alto.

Consultant to Takoma Park, Maryland, Drafting Rent Stabilization ordinance and Rent Petition Analyst (2006-2007, 2009-2014)

Institute of Transportation and Development Policy (New York City), Study on European policies governing location of shopping malls (2001-2002)

Open Society Budapest (Soros Foundation), Study on contracting out of public services and freedom of information in Hungary, Czech Republic, Romania, and Slovakia (2000-2001)

Consultant to World Bank (Budapest office), Studies on municipal contracting out of public services, policies for the provision for the provision of district heating, and land use policies in Hungary (1998-1999)

Urban Institute, U.S. Aid for International Development (A.I.D.) funded technical assistance, Hungarian Subnational Development Project (1998 & 1999)

Consultant, Institute for Transportation and Development Policy, to East European Organizations on Transportation Policies (1997-98)

Studies for the Golden State Mobilehome Owners League on Issues Related to Mobilehome Ownership and Statewide Referendum on Mobilehome Owners Rights (1995-96)

U.S.A.I.D. funded technical assistance to Albanian Ministry of Construction (Sept. 1993- March 1994)

Consultant, East European Real Property Foundation, (U.S. A.I.D. funded), development of education and training in Hungary (July 1993)

Study of Hungarian Land Use Regulations (1992, publication and technical assistance sponsored by Urban Institute, Wash. D.C.)

Report for Hungarian Ministry of Justice, Comparison of Landlord-Tenant Law in France, United States, and Hungary (1992, funded by Urban Institute, Wash. D.C.)

Consultant, City of Santa Monica, Cal., Incentive Housing Program

Expert witness on behalf of cities in judicial and administrative proceedings on real estate fair return issues (San Francisco, Oceanside, Rancho Mirage, Cathedral City, Santa Monica, California; Fort Lee, New Jersey)

Consultant, State of New Jersey Attorney General and Public Advocate, on fair return standards under state statute regulating evictions of senior citizens from condominiums

Studies of Impacts of Local Regulations on Housing Supply, Cities of Santa Monica and Fremont, Cal.

Preparation of a Guide for New Jersey Rent Control Boards on Fair Return Standards and Landlord Hardship Applications (National Housing Law Project, 1981)

Research and Writing Articles on Inequalities in Property Tax Assessments (Legal Services Corporation, Washington, D.C., 1982-83)

Consultant, Peter L. Bass & Associates, Development of Contracts with Developers under the California Coastal Conservancy Lot Consolidation Program

Expert Witness, City of San Francisco, on the impacts of city policies on apartment construction in litigation involving applicability of antitrust regulations

Project Director, survey of merchants and commercial property owners for City of Berkeley, Cal., Planning Dept.

Preparation of apartment operating cost studies for the cities of Berkeley, Santa Monica, and Cotati, California)

Consultant, Real Property Division, First Nationwide Bank on disposition of assets in operations inventory

Assistant (on contract) to Deputy City Attorney of San Jose, California on drafting of environmental and subdivision regulations

Publications

Articles

Baar, "Fair Return under Mobilehome Park Space Rent Controls: Conceptual and Practical Approaches:, 29 Real Property Law Reporter 333 (Sept. 2006)

"Legislative Tools for Preserving Town Centres and Halting the Spread of Hypermarkets and Malls Outside of Cities" published in Etudes Foncieres (Land Studies) No. 102, pp. 28-34 (March-April 2003, Paris, translated into French); also published in Falu, Varos, es Regio (Village,Town, and Region), issue no. 2, pp. 11-22 (2003), (Budapest, translated into Hungarian)

"Contracting Out Local Public Services in a Transition Economy," Review of Central and Eastern European Law, Vol. 25, No. 4, 493-512, September 2000, (Leiden, Netherlands)

"Contracting Out Municipal Services: Transparency, Procurement, and Price Setting Issues", Hungarian Public Administration, Vol. 49, No. 3, May 1999 (translated into Hungarian)

"Laws Protecting Mobilehome Park Residents", Land Use and Zoning Digest Vol. 49, 3-7 (Nov. 1997, American Planning Association)

"The Anti-Apartment Movement in the U.S. and the Role of Land Use Regulations in Creating Housing Segregation", Netherlands Journal of Housing and the Built Environment, Vol. 11, no.4, 359-380 (1996)

(translated versions of "The National Movement to Halt the Spread of Multi-family Housing (1890-1926)", Journal of the American Planning Association, Vol. 58, no. 1, 39-48, Dec. 1991)

"La resistance au logement collectif", Etudes Foncieres, Vol. 67, 44-48, (June 1995, Paris, Association des Etudes Foncieres)
and
"Il Movimento Contro Gli Edifici Multifamiliari Negli Stati Uniti, Storia Urbana, Vol 66, 189-212 (1994, Milan, Italy)

"Impacto del precio del suelo y de las normas sobre su uso en el precio y la distribucion de las viviendas en USA", La Vivienda, no. 23, 43-51 (1993, National Mortgage Bank of Spain) ["The Impact of Land Costs and Land Regulations on the Cost and Distribution of Housing in the United States"]

"A Teruletrendezes Dilemmai a Demokratikus Piacgazdasagokban", Ter es Tarsadalom, Vol.6, no. 1-2, 89-99 (1992, Budapest) ["Dilemmas of Land Use Planning in a Democracy with a Market Economy", Space and Society]

"The Right to Sell the 'Im'mobile Manufactured Home in Its Rent Controlled Space in the 'Im'mobile Home Park: Valid Regulation or Unconstitutional Taking?", Urban Lawyer Vol. 24, 107-171 (Winter 1992, American Bar Ass'n)

"The National Movement to Halt the Spread of Multi-family Housing (1890-1926)", Journal of the American Planning Association Vol. 58, no. 1, 39-48 (Dec. 1991)

"El Control de Alquileres en Estados Unidos" Estudios Territoriales , Vol. 35, 183-99 (1991, Madrid) ["Rent Control in the United States"]

"Would the Abolition of Rent Controls Restore a Free Market?", Brooklyn Law Review, Vol. 54, 1231-8 (1989)

"A Choice of Issues" (Introduction to articles on the impact of rent controls on the property tax base), Property Tax Journal Vol. 6, no. 1, 1-6 (March 1987, International Ass'n of Assessing Officers).

"Facts and Fallacies in the Rental Housing Market", Western City, Vol. 62, no.9, 47 (Sept. 1986, California League of Cities)

"California Rent Controls: Rent Increase Standards and Fair Return", Real Property Law Reporter, Vol. 8, no. 5, 97-104 (July 1985, California Continuing Education of the Bar)

"Rent Control: An Issue Marked by Heated Politics, Complex Choices and a Contradictory Legal History", Western City, Vol. 60 (June 1984)

"Rent Controls and the Property Tax Base:The Political-Economic Relationship", Property Tax Journal Vol. 3, no. 1, 1-20 (March 1984)

"Il Dibattito Sul Controllo Degli Affiti Negli Stati Uniti", Bolletino Daest (Sept. 1984, University of Venice) ["The Debate Over Rent Controls in the United States"]

"Guidelines for Drafting Rent Control Laws: Lessons of a Decade", Rutgers Law Review, Vol. 35, 723-885 (1983)

"Defining 'Fair Return' For Rent Controlled Landlords", 59 New Jersey Municipalities (no. 3) 24 (1982)

"Property Tax Assessment Discrimination Against Low-Income Neighborhoods", Urban Lawyer, Vol. 13, 333-405 (1981, American Bar Ass'n)
abridged versions:
Clearinghouse Review, Vol. 15, 467-486 (1981),
Property Tax Journal, Vol. 1, (no. 1) 1-50 (March 1982)

(Coauthors Baar and Keating) "Controlling Rent Control", 2 New Jersey Reporter (no. 4) 19-25 (October 1981)

"Land Banking and Farm Security Loans", Economic Development Law Project Report, Vol. 8, no. 4, 1978)

"Rent Control in the 1970's: The Case of the New Jersey Tenants' Movement", 28 Hastings Law Journal 631-683 (1977)

(Coauthors Pearlman and Baar) "Beyond the Uniform Relocation Act: Displacement by State and Local Government, Clearinghouse Review, Vol. 10, 329-345 (1976)

(Coauthors Baar and Keating) "The Last Stand of Economic Substantive Due Process: The Housing Emergency Requirement for Rent Control", Urban Lawyer, Vol. 7, 446-509 (1975)

Chapters in Books

Baar, "Contracting Out Municipal Services: Transparency, Procurement, and Price-Setting Issues," (ch. 15), "Land Use Regulation" (ch.21), and "Financing and Regulating District Heating (ch 26) Intergovernmental Finance in Hungary (2005, World Bank)

"Open Competition, Transparency, and Impartiality in Local Government Contracting Out of Services" (Chapter 2), Navigation to the Market Regulation and Competition in Local Utilities in Central and Eastern Europe, ed. Peteri and Horvath (2001, Local Government and Public Service Reform Intitiative, Open Society Institute, Budapest)

"New Jersey's Rent Control Movement" (Chapter 10) and "Controlling "Im"Mobile Home Space Rents", (Chapter 13), ed. Keating, Tietz, & Skaburskis, Rent Control: Regulation and the Rental Housing Market (1998, Center for Urban Policy Research, Rutgers University.

Hungarian Land Use Policy in the Transition to a Market Economy with Democratic Controls", Land Tenure and Property Development in Eastern Europe (1993, Association des Etudes Foncieres, Paris)

"Peacetime Municipal Rent Control Laws in the United States: Local Design Issues and Ideological Policy Debates", ed. van Vliet, Choldin, Michelson, and Popenoe, Housing and Neighborhoods, ch.15 (1987, Greenwood Press)

"Rent Control", California Residential Landlord-Tenant Practice, Chapter 9 (1986, California, Continuing Education of the Bar)

Books

Editors Baar and Pojani, Urban Planning in a Market Economy, (Tirana, Albania 2004); author of chapters: "Decentralization in Service Provision and Urban Planning - An International Perspective, Private", "Property Rights, Public Expropriations, and Public Rights to Undertake Urban Planning", "Contracting Out Public Services in Hungary - Regulatory, Contracting and Transparency Issues". Coauthor of chapters: "Urban Planning in a Democracy with a Market Economy", "Local Service Provision in Albania".

Reports

"Impacts of the Rent Stabilization Ordinance on the Outcomes of Apartment Investments" (Ch. 4) and "Rent Increase Standards: Los Angeles Rent Stabilization Ordinance (RSO) and Comparison with Ordinances in Other California Cities" (Ch. 5), Economic Study of the Rent Stabilization Ordinance and the Los Angeles Housing Market, prepared for City of Los Angeles Housing Dept. 2009)

"The Economics of Mobilehome Ownership and Mobilehome Park Ownership in the City of Los Angeles and a Comparison of Local Regulations of Mobilehome Park Space Rents" (May 2011, commissioned by the City of Los Angeles)

Expert Witness in Trial Courts (on behalf of cities):

Baker v. City of Santa Monica (1982, Los Angeles County Superior Court)

Hozz v. City and County of San Francisco, (1984, Superior Court, San Francisco County)

Segundo v. City of Rancho Mirage and Kapp v. City of Cathedral City (1985, U.S. Federal District Court, Los Angeles)

Kirkpatrick v. City of Oceanside, (1993, Superior Court, San Diego County)

440 Company v. Borough of Fort Lee, New Jersey (1996, U.S. Federal District Court, New Jersey)

Cashman v. City of Cotati, (2002, U.S. Federal District Court, Northern District California)

Court Opinions Citing Law Review Articles by Baar on Rent Stabilization and/or Mobilehome Park Landlord-Tenant Issues

Helmsley v. Borough of Fort Lee, 78 N.J. 200; 394 A.2d. 65 (1978) New Jersey Supreme Court*

Fisher v. City of Berkeley, 37 Cal.3d. 644; 209 Cal.Rptr. 682 (1984) California Supreme Court; *affirmed*, 475 U.S. 260 (1986)*

Oceanside Mobile Home Park Owners Association v. City of Oceanside, 157 Cal.App.3d. 887 (1984) California Court of Appeals*

Mayes v. Jackson Township, 103 N.J. 362; 511 A.2d. 589 (1986) New Jersey Supreme Court; *cert. denied*, 479 U.S.1090 (1987)*.

Yee v. Mobilehome Park Rental Review Board, 17 Cal. App. 4th 1097 (1993) California Court of Appeals*

Palomar Mobilehome Park v. City of San Marcos, 16 Cal.App.4th 481 (1993) California Court of Appeals *

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<u>Calimesa</u>,
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<u>Capitola</u>
Castle MHP (2000)

<u>Carpinteria</u>,
Vista de Santa Barbara (2002)

<u>Carson</u>,
Carson Gardens (2003)
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Carson Gardens (2007)
Colony Cove (2008)
Colony Cove (2009)
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Laco (2011)
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<u>Chula Vista</u>,
Bayscene MHP (2006)

<u>Escondido</u>,
Carefree Ranch (1995)
Town and Country (1995)
Westwinds (1995)
Lake Bernardo (1996)
Valley Parkway (1997)
Mobilepark West (1997)
Eastwood Meadows (1997)
Ponderosa (1997)
Casa de Amigos (1997)
Town and Country (1999)
Greencrest (1999)
Casa de Amigos (2001)
Town and Country (2002)
Town and Country (2005)

Mobilehome Park West (2006)
Sundance (2013)

Palmdale,
Grecian Island (2007)
Mountain View (2007)

Salinas,
Alisal Country Estates (1997)

San Luis Obispo County,
Oak Terrace (2008)

San Marcos,
Villa Vista (2008)
Villa Vista (2010)
Rancho San Marcos (2010)

Santa Rosa,
Coddingtown (2003)

Thousand Oaks
Thunderbird (2010)
Ranch (2010)

Vallejo,
Vallejo Mobile Estates (2002)
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Ventura,
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Watsonville,
Colonial Manor (1998)
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Yucaipa,
Wishing Well (2004)
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