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Title:	Staff Report for City of San Leandro City Council Public Hearing and Consideration of an Ordinance Approving Anti-Displacement Mobile Home Park Policy Amendments, Including Zoning Code Amendments to Add Chapter 3.34, MHP Mobile Home Park Overlay District, and Amend Chapter 5.28, Mobile Home Park Conversions, and Zoning Map Amendments to Apply the MHP Overlay Zone to Mobile Home Park Sites Citywide				
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Staff Report for City of San Leandro City Council Public Hearing and Consideration of an Ordinance Approving Anti-Displacement Mobile Home Park Policy Amendments, Including Zoning Code Amendments to Add Chapter 3.34, MHP Mobile Home Park Overlay District, and Amend Chapter 5.28, Mobile Home Park Conversions, and Zoning Map Amendments to Apply the MHP Overlay Zone to Mobile Home Park Sites Citywide

SUMMARY AND RECOMMENDATION

Staff recommends that the City Council introduce an Ordinance adopting Zoning Code and Zoning Map Amendments to strengthen anti-displacement policies for mobile home park residents. The proposed Zoning Code amendments would add Chapter 3.34, MHP Mobile Home Park Overlay District, and amend Chapter 5.28, Mobile Home Park Conversions. The proposed Zoning Map Amendments would apply the MHP Overlay Zone to all existing mobile home park sites.

The Planning Commission reviewed the proposed amendments and unanimously recommended approval to the City Council on July 1, 2021, with amendments to further enhance protections for residents.

BACKGROUND

On December 7, 2020, the City Council directed staff to report to the City Council Rules Committee in six to eight months to discuss supplemental mobile home park protections city-wide in response to concerns about displacement within the City's transit-oriented development (TOD) growth areas including the Bay Fair TOD Plan, which the City adopted in 2018.

Mobile homes are an important and common form of affordable housing not only in San Leandro, but nationwide; and, an important affordable housing resource, particularly for the senior population.

Per the City Council's direction, Staff and the City Attorney's Office drafted recommended amendments to the Zoning Map and Zoning Code to provide enhanced anti-displacement protections for mobile home park residents. The proposed policy amendments are included as Exhibit A to the attached Resolution and are presented in redlined format as Attachment 1 to this staff report.

The City Council Rules Committee reviewed the draft amendments on May 26, 2021 at which time public comments were received. Following the Rules Committee meeting, staff made further amendments in response to public comments, as detailed below.

The Planning Commission reviewed the draft amendments at a public hearing on July 1, 2021. The Commission received written and oral public comment and requested several amendments be made to the draft amendments as part of their unanimous recommendation to the City Council. The Planning Commission's recommended changes have been incorporated into the amendments included in Exhibit A to the draft Ordinance and are described in further detail below.

STAFF ANALYSIS

Existing Mobile Home Park Protections

In 2001, the City established a Mobile Home Park Conversion Ordinance (Zoning Code Ch. 5.28), which requires City Council approval prior to the closure or conversion of a mobile home park. Chapter 5.28 requires the following:

Relocation Plan - The park owner must provide for relocation assistance to full-time, low- and moderate-income residents of the park for at least 12 months;

- o *Special Cases* - must guarantee no rent increase for all residents 62 years old or older and all permanently disabled tenants for two years following relocation;
- o *Moving Expenses* - must provide for moving expenses equal to the actual cost of moving (up to 10 miles from the park); and
- o *No Increase in Rent* - a tenant's rent may not be increased in the two months prior to filing a conversion application or two years after filing an application or until relocation occurs.

Findings - the City Council must make certain findings in order to approve the closure or conversion of a mobile home park, including that:

- o Residents have been adequately notified;
- o Sufficient replacement housing or space in other mobile home parks is available;
- o No displacement of low-income mobile home residents who cannot afford rents in other mobile home parks within San Leandro or its general vicinity will occur;
- o Available relocation space for displaced mobile homes exists in other parks within San Leandro or its general vicinity;

- o First right of refusal for displaced residents to move into any new residential housing constructed on site will be provided;
- o All reasonable costs incurred by residents as a result of relocation will be compensated by the applicant; and
- o The relocation plan mitigates the impacts of the displacement for a reasonable transition period and mitigates the impacts of any long-term displacement.

While many mobile home park residents purchase individual units, the land that homes sit on is typically rented. Once a home is positioned on a given lot, it is very costly, if not very difficult to move to a new location. As such, mobile home park residents are often vulnerable to space rent increases, having already invested significant resources into the purchase of a home that is now tied to a site they do not own. To further provide protections for mobile home park residents, the City Council adopted a Mobilehome Space Rent Stabilization Ordinance (Municipal Code Title 4, Chapter 4-39) in 2019. The Ordinance caps annual mobile home space rents at four percent (4%) or the annual percent change in the CPI, whichever is less.

Proposed Mobile Home Park Policy Amendments

To further provide protections for mobile home park residents, staff recommends the following:

1. *Adopt a Zoning Overlay* - Establish a mobile home park zoning overlay that prohibits all uses other than a mobile home park use. The overlay will be applied to all existing mobile home parks citywide. Proposed conversions would require removal of the zoning overlay in addition to obtaining approval for a conversion per Chapter 5.28 prior to establishment of a new use.
2. *Expand Scope of Conversion Ordinance* - Amend the Mobile Home Park Conversion Ordinance to clarify that the protections in Chapter 5.28 apply to all residents of a mobile home park, regardless of what type of structure/vehicle they reside in. This will be accomplished by broadening the definition of mobile home in the Ordinance to include any structure used for human habitation in a mobile home park, including RVs or other similar vehicles.
3. *Require Relocation Assistance for Waivers* - In cases of extreme economic hardship, Section 5.28.124 allows the City to waive or modify any of the required findings and related conditions of approval as necessary to alleviate a hardship. This may leave park residents vulnerable if the City Council waives certain requirements of the conversion ordinance without any alternative protection for residents. Staff recommends amending the ordinance to require a park owner to provide certain minimum relocation payments even if a waiver is granted. The proposed minimum relocation payments are consistent with the City's existing Tenant Relocation Assistance Ordinance.

Rules Committee Meeting

The City Council Rules Committee considered the proposed amendments on May 26, 2021 and encouraged staff to move forward with the policy amendments. During that meeting, members of the public submitted a number of comments, both oral and written, regarding the draft amendments. The comments were generally supportive of the City's efforts to protect the residents of mobile home parks, but some comments did suggest changes to the ordinance. In response, staff revised the

proposed ordinance to include definitions of “low income” and “moderate income.” In addition, staff added a requirement that notice be sent to all residents of a mobile home park both: i) when a mobile home conversion application is submitted, and ii) prior to any public hearing to consider the removal of the MHP Mobile Home Park Overlay District from a park.

Some of the comments suggested that the waiver provision contained in Chapter 5.28 (the Mobile Home Conversion ordinance) should be eliminated or the proposed relocation benefits should be substantially increased. Inclusion of the waiver in the ordinance is necessary to comply with applicable legal requirements. However, as explained above, the proposed ordinance would establish new minimum relocation benefits that a park owner must pay if the City Council grants a waiver to a park owner. The amount of the relocation benefits in the proposed ordinance is approximately the same as the relocation benefits provided by the City’s Tenant Relocation Assistance Ordinance, San Leandro Municipal Code Chapter 4-37, which was adopted in 2017 and primarily assists apartment or multifamily housing renters. The benefits provided by Chapter 4-37 were established by the City Council after an extensive public process.

A few other members of the public submitted comments regarding code enforcement issues at certain parks and alleged health and safety problems. Under California law, the California Department of Housing and Community Development (“HCD”) is responsible for enforcing health and safety laws at mobile home parks. The City does not have the authority to engage in code enforcement activities at mobile home parks in San Leandro. City staff has previously contacted HCD regarding alleged safety issues at mobile home parks in an effort to have potential violations corrected.

Planning Commission Review and Action

The Planning Commission held a public hearing on July 1, 2021 where they reviewed public comments and discussed the proposed amendments. The Planning Commission asked clarifying questions of Community Development staff and City Attorney staff related to the application and enforceability of various components of the Conversion Ordinance. The Commission unanimously voted to recommend approval of the proposed amendments with several key modifications to provide greater specificity and enhance displacement protections for mobile home residents, including:

- All references to low-income and moderate-income residents have been removed so that protections apply equally to all residents.
- Park owners must pay for moving expenses up to 125 miles rather than 10 miles. If a resident does not wish to move a mobile home, the park owner must cover the cost of demolition/disposal.
- Relocation assistance can commence at any time after the Use Permit for a conversion is granted.
- The City Council is no longer required to make findings regarding mobile home space availability in the “general vicinity” of San Leandro. Rather, the term “general vicinity” has been replaced with “within 50 miles of the park.”
- Notice of an application to remove the MHP overlay must be provided to residents 30 days before public hearings, rather than 10.
- The term “adequate notice” has been replaced with notice “as required by this Code and applicable state law.”

Attachment 1 and Exhibit A to the draft Ordinance reflect the changes that were incorporated by the Planning Commission.

Zoning Amendment Findings

Zoning Code Section 5.16.116 states that the Planning Commission shall make findings regarding consistency with the General Plan and purposes of the Zoning Code when making recommendations to the City Council on proposed Zoning Code and Zoning Map Amendments.

The proposed Zoning Code and Zoning Map Amendments are consistent with the General Plan and relevant General Plan policies, including:

Housing Element Policy 56.08 - Conservation of Mobile Home Parks. Promote the conservation and rehabilitation of mobile home parks without displacing tenants or reducing the number of affordable units. Mobile home parks should be recognized as an important affordable housing resource for San Leandro's seniors and low-income households.

The proposed Zoning Code and Zoning Map Amendments are also consistent with the purposes of the Zoning Code contained in Section 1.04.108.

Conclusion

The proposed amendments in Exhibit A to the attached Resolution will substantially strengthen anti-displacement protections for Mobile Home Park residents. The amendments in Exhibit A reflect additional protections that were recommended by the City Council Rules Committee and the Planning Commission. The amendments would become effective 30 days after the Second Reading of the Ordinance, which is tentatively scheduled for September 20, 2021.

ENVIRONMENTAL REVIEW

Staff recommends that the City Council find that the proposed amendments are exempt from the California Environmental Quality Act ("CEQA") based on: 1) the rule set forth in CEQA Guidelines Section 15061(b)(3) that CEQA applies only to projects which have the potential for causing a significant effect on the environment. As a set of text amendments that do not authorize any new uses, it can be seen with certainty that there is no possibility that the proposed amendments to the Zoning Code will have a significant effect on the environment; and 2) CEQA Guidelines Section 15301, which exempts changes to existing facilities involving negligible or no expansion of existing or former use.

PUBLIC OUTREACH

Notices of the City Council Rules Committee, Planning Commission, and City Council meetings were sent to all mobile home park property owners and residents for which mailing information was available. A display ad for tonight's meeting was also published in the Daily Review on August 27, 2021.

FISCAL IMPACT

There is no direct fiscal impact from taking action on the proposed amendments.

RECOMMENDATION

Staff recommends that the City Council make the necessary findings and determinations and adopt the attached Ordinance to make:

1. Zoning Code Amendments to Add Chapter 3.34, MHP Mobile Home Park Overlay District, and Amend Chapter 5.28, Mobile Home Park Conversions, as shown in Exhibit A; and
2. Zoning Map Amendments to Apply the MHP Overlay Zone to Mobile Home Park Sites as shown in Exhibit B.

ATTACHMENTS

Attachments to Staff Report

1. Zoning Code Amendments (redlined)
2. Zoning Map Amendments (redlined)

Attachments to Ordinance

Exhibit A - Zoning Code Amendments (clean)

Exhibit B - Zoning Map Amendments (clean)

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