



Planning Commission Staff Report

February 25, 2009 ~~January 28, 2009~~
Item 6.a.

SUBJECT: PMCC-2

APPLICANT: The Guggenheim Company

PROPERTY OWNER: The Guggenheim Company

PURPOSE: Consider an application for a Vesting Tentative Map converting a 208-unit mobile home park to residential condominium units.

GENERAL PLAN: High Density Residential-Greater than eight dwelling units per gross acre.

ZONING: C-F (Freeway Interchange Commercial) District

LOCATION: 3263 Vineyard Avenue

ATTACHMENTS:

1. Exhibit A, Draft Conditions of Approval
2. Exhibit B, Site Plan and Vesting Tentative Map dated "Received June 5, 2007"
3. Exhibit C, Location and Noticing Maps
4. Exhibit D, Government Code, Section 66427.5
5. Exhibit E, Survey sent to residents in March 2008
6. Exhibit F, Tenant Impact Report, dated January 2009
7. Exhibit G, Neighborhood Meeting Minutes, dated January 8, 2009
8. Exhibit H, Public Correspondence
9. Exhibit I, Conversion Committee Agreement
10. Exhibit J, Correspondence from Gilchrist & Rutter

BACKGROUND

On September 25, 1968, the Planning Commission approved a Conditional Use Permit (UP-68-6) for a mobile home park at 3263 Vineyard Avenue. Conditional Use Permits were and are required for mobile home parks located in Freeway Interchange Commercial (C-F) zoning

districts, such as the subject property. The property was thereafter developed with 208 mobile home spaces, and the Park is called the Vineyard Villa Mobile Home Park.

The Park, like other mobile home and trailer parks in the City, is operated as a rental mobile home park, that is, residents own their own “mobile homes” but the land upon which the mobile homes are located is owned by the park owner. Accordingly, mobile home residents pay monthly rent to the park owner in addition to paying utilities such as electricity, gas, and cable TV. Vineyard Villa is also a “senior park,” meaning that at least one of the residents in a unit must be at least 55 years old.

Although called “mobile homes,” the units in Vineyard Villa (and the adjoining Hacienda Mobile Home Park) are not actually mobile. Typically, once the unit is placed within a Park, the mobile home owner makes a substantial investment in the residence, and removing or relocating the unit is not practical. In recognition of this fact, mobile home residents throughout the State who felt that park owners were unreasonably raising their rents lobbied city councils to adopt rent control ordinances that would put limitations on rent increases. In the late 1980’s the mobile home residents in Pleasanton did the same.

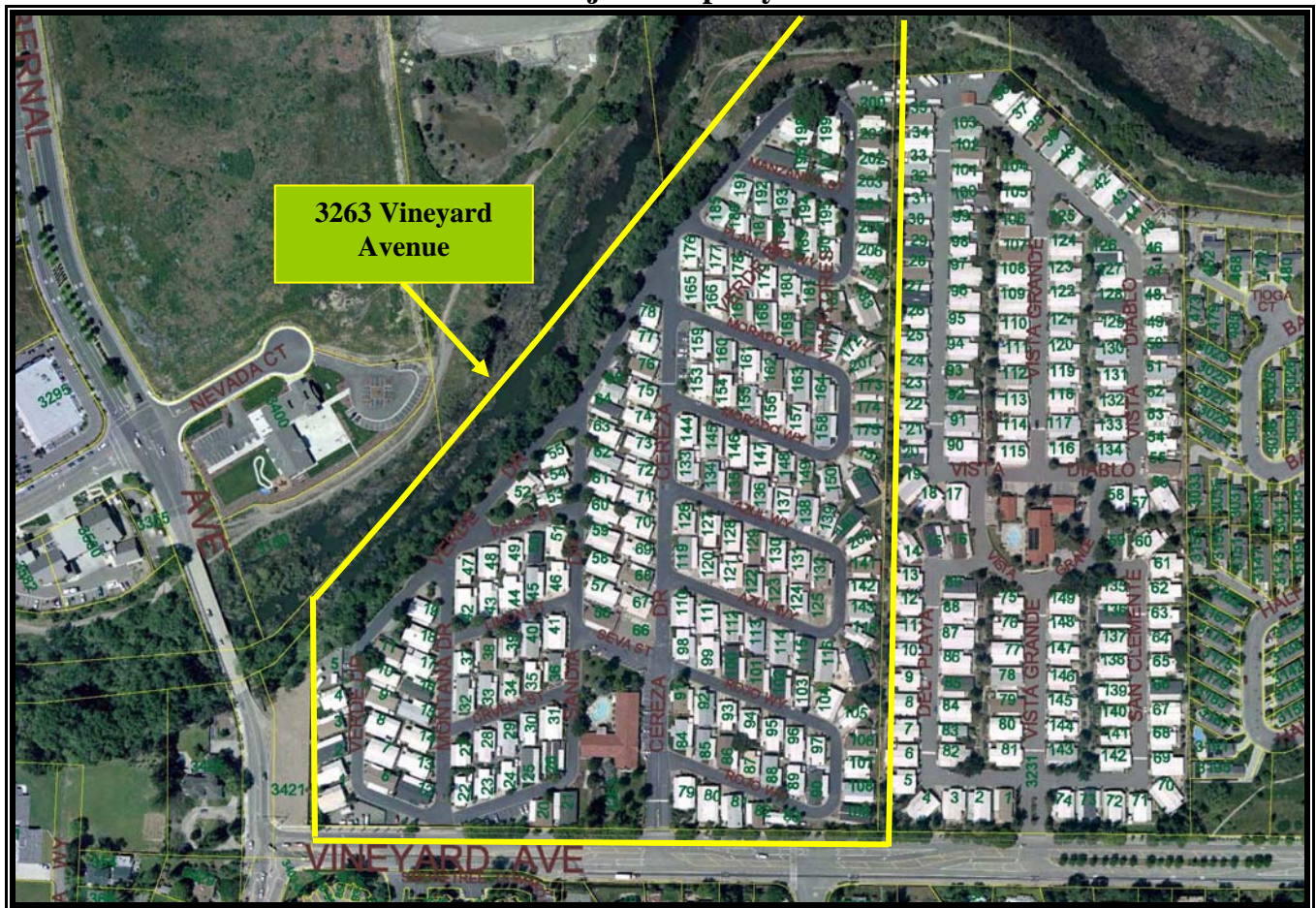
Initially, in lieu of adopting an ordinance, the City was able to negotiate rent stabilization agreements with most of the park owners. However, because in the early 1990’s one park owner refused to enter into such an agreement, the City was compelled to adopt a rent stabilization ordinance to protect the residents of that park or any other park where the owner fails to reach agreement with the City as to rents. The first rent stabilization agreement with Vineyard Villa Mobile Home Park dates back to 1988. The most recent rent stabilization agreement with the park owner of Vineyard Villa was signed in 2007.

In June 2007, Gilchrist & Rutter, representing the property owner, submitted an application to convert the park to “residential ownership” and for a vesting tentative map to convert the 208 mobile home spaces to 208 “condominiums.” Even though the spaces would be called “condominiums,” the physical layout of the Park would not change. It would still appear as if it were a mobile home park. If the application is approved, the park owner would be allowed to record a condominium plan and then sell the individual lots. Those not wishing to purchase, however, would not be required to purchase and would simply continue to pay rent. Moreover, as will be discussed more fully in this staff report, the park owner has agreed not to begin selling any of the lots for ten years. Action on this application is not required by the City Council unless the Planning Commission’s decision is appealed. The applicant will submit a final map creating one parcel to the Community Development Department following an approval of this application. As mentioned, ten years after the final map records, the park owner could file a condominium plan creating the 208 condominiums; this plan would likewise be approved by the Community Development Department before it is recorded.

SITE DESCRIPTION

The subject site is an approximately 30.5-acre, basically flat, property with vehicular access from Vineyard Avenue. The site is located on the east side of Bernal Avenue with the Arroyo Del Valle bordering the site to the north and northeast. Another mobile home park is to the east (Hacienda Mobile Home Park). There are 208 manufactured and/or mobile homes with a shared clubhouse and swimming pool on site. The subject property is zoned C-F (Freeway Interchange Commercial) District.

Subject Property



PROJECT DESCRIPTION

A condominium conversion is the conversion or subdivision of a parcel of existing improved residential property typically containing two or more dwelling units, or of an existing mobile home park, into a form of ownership for residential purposes involving the right of exclusive occupancy or separate ownership of individual units or mobile home spaces. The application before the Planning Commission is for the subdivision of the parcel where the mobile home park is located. The conversion of the parcel will allow ownership of the unit “airspace” within the Park. There is no physical change to the mobile home park required or proposed for this

application. If the project is approved it will allow ownership of the unit space which is currently rented space for those living within the park. The condominium conversion will not change the 55+ years age restriction or the rent stabilization agreement that the Park Owner has with the City. Furthermore, the property owner has agreed to wait at least ten years to record the condominium plan itself and to begin the sale of the individual unit spaces (Condition of Approval No. 4 of Exhibit A in Attachment 1). The Park Owner agreed to this condition as a part of the rent stabilization agreement negotiations that took place in 2007.

DISCUSSION

SUBDIVISION MAP ACT:

The Subdivision Map Act (SMA) sets forth provisions for approving tentative, final, and parcel maps. Conversion of rental mobile home parks to residential ownership is governed by the SMA, in particular Government Code, Section 66427.5, attached as Exhibit D. The Planning Commission must make certain findings, as listed below, before taking action on this application. The scope of the hearing, however, is limited to the issue of compliance with Section 66427.5. This significantly narrows the scope of Planning Commission authority compared to typical subdivision applications. Staff has listed the findings in **bold** with staff's response in *italics*.

The subdivider shall obtain a survey of support of residents of the mobile home park for the proposed conversion. (The survey shall be by written ballot, and the results of the survey submitted to the City, to be considered as part of this hearing.)

In early 2008, a survey was sent to all residents. A copy of that survey is attached as Exhibit E. City staff and a resident committee negotiated with the Park Owner's representative the wording of the Survey. Residents were provided three options: support for the approval of a future change of ownership of the park to a resident-owned condominium; decline to respond; and do not support the change of ownership. Residents were directed to return the survey directly to the City.

The City received 119 responses from the 208 spaces. (Only one response from each space is permitted under Section 66427.5) Of those, 41 were in support, 38 were not in support, and 40 declined to respond.

The statute (see Exhibit D) is unclear on what the requirements are, if any, concerning the level of support that the residents must indicate in order for the conversion application to be approved. Attorneys for park owners take the position, with some support from case law, that no particular percentage of residents needs show support in order to approve the application. Others believe that the purpose of the statute is to allow conversion to residential ownership only where a true majority of residents favor such conversion, and, therefore, there must be majority support of the residents in order to approve the conversion.

Legislation has been introduced on several occasions to clarify this ambiguity, but none has been signed into law. Therefore the ambiguity remains. Of those who responded to the survey, a bare majority (52 percent) were in favor of the conversion. Accordingly, staff concludes that there was majority support for the conversion and recommends that this finding be made.

The property owner shall file a report on the economic impact of conversion upon the residents and shall make a copy of the report available to each resident at least 15 days prior to the hearing.

In converting the Park to resident ownership, Section 66427.5 requires the property owner to avoid the economic displacement of all non-purchasing residents. This is accomplished in a number of different ways: offering each resident the option to purchase his/her lot (i.e., condominium unit) or continuing residency as a renter; and as to non-purchasing residents, complying with State law as to how rents are to be calculated, depending on the income level of the resident household.

Here, the property owner has sent out to each resident a Tenant Impact Report, a copy of which is attached as Exhibit F. That Report (the terms of which were negotiated with City staff) provides that the sales of the lots/units will not occur for at least 10 years, that the terms of the Rent Stabilization Agreement will remain in effect, that no one will be evicted upon conversion (10 years hence), that residents will have the option to purchase their lot/unit; and that rents, after conversion, will be in accordance with state law.

Staff therefore recommends that this finding can also be made.

NEIGHBORHOOD MEETING

On December 17, 2008, staff sent notification to the residents within the park informing them of a neighborhood meeting to be held on January 8, 2009 at the Park's club house, hosted by City staff and the property owner's representative. The intent of this meeting was to address questions/comments the residents may have had regarding the proposed conversion. Approximately 80 residents attended the meeting. The primary concern raised by the residents was what the cost of the lots would be. Those living within the park are 55 or older, and many are on fixed incomes. They expressed concern that they may not be able or be interested in purchasing their lots, especially if it would be necessary to borrow money to purchase the lot. The residents requested that the property owner provide the residents with what the purchase price would be if the conversion were to take effect "today." Coincidentally, when this application was being processed by the City, staff made a similar request of the property owner, even though staff recognized that the lots would not sell for at least ten years in the future; staff nevertheless felt it was information that the residents should have at this time.

The property owner's representative stated that appraising the lots at this time would not give the residents an accurate picture of what the lots would sell for in ten years' time. Staff is in general agreement with that, but the City cannot require the property owner, even if the lots were to sell today, to provide an appraisal of the lots as a condition of project approval. Overall, the majority of those present at the meeting did not appear to be in support of the conversion. For detailed meeting minutes of the meeting, please refer to Exhibit G.

PUBLIC NOTICE

Notice of this application was sent to all residents of the Park and to property owners within 1,000 feet of the subject property. At the time this report was prepared, staff had received one letter of support and one letter of opposition to the condominium conversion; please refer to Exhibit H. The comments and concerns in each letter did not differ from those raised at the January 8, 2009 neighborhood meeting.

ENVIRONMENTAL ASSESSMENT

The conversion of an existing rental mobile home park to a residential subdivision, cooperative, or condominium for mobile homes is statutorily exempt [California Environmental Quality Act (CEQA) Guidelines, Section 15282 (e)]. Therefore, no environmental documentation accompanies this report.

STAFF RECOMMENDATION

Staff recommends that the Planning Commission:

1. Make the Subdivision Map Act findings listed in this staff report; and
2. Approve the vesting tentative map, subject to the conditions of approval in Exhibit A.

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