



CITY OF CARSON

PLANNING COMMISSION STAFF REPORT

PUBLIC HEARING: April 27, 2021

SUBJECT: Relocation Impact Report (RIR) No. 04-19

APPLICANT: Richard H. Close, Esq.
Cozen O'Connor
1299 Ocean Ave., Suite 900
Santa Monica, CA 90401

PROPERTY OWNER: Carter-Spencer Enterprises, LLC
60 W. 57th St., #17L
New York, NY 10019

REQUEST: Consider Relocation Impact Report No. 04-19 related to the Closure of Rancho Dominguez Mobile Estates Mobile Home Park

PROPERTY INVOLVED: Rancho Dominguez Mobile Estates (425-435 E. Gardena Blvd.)

COMMISSION ACTION

AYE	NO		AYE	NO	
		Chairperson Thomas			Monteclaro
		Vice-Chair Palmer			D. Thomas
		Diaz			Rashad
		Guerra			
		Huff			Alt. Alt. Alt.

Item No. 6B

I. Introduction

Applicant

Richard H. Close, Esq.
Cozen O'Connor
1299 Ocean Ave., Suite 900
Santa Monica, CA 90401

Property Owner

Carter-Spencer Enterprises, LLC
60 W. 57th St., #17L
New York, NY 10019

II. Background; Project Description

The applicant requests approval of RIR No. 04-19, including the proposed measures to be taken by Carter-Spencer Enterprises, LLC (the "Park Owner"), owner of Rancho Dominguez Mobile Estates mobilehome park (the "Park"), to mitigate the adverse impacts of the Park's closure on the ability of Park residents to find alternative housing.

Carson Municipal Code ("CMC") Section 9128.21 (Relocation Impact Report) requires Planning Commission review of relocation impact reports related to mobilehome park closures.

The Park is located in an industrial zone and surrounded by industrial uses. The Park is a nonconforming use in its zone (the "Manufacturing-Light," or "M-L" zone) as a result of a zoning ordinance adopted by the City in 1977 providing that mobilehome parks are not permitted uses in the M-L zone, and establishing a 35-year amortization period during which the Park was allowed to remain in operation as a legal nonconforming use. That period expired in 2012, but the Park Owner continued to operate the Park and the City took no code enforcement action to compel the Park Owner to terminate the use.

Likely because of its industrial character, according to the California Office of Environmental Health Hazard Assessment, the Census Tract in which the Park is located is in the top 10% of the state for the levels of diesel emissions and toxic substance pollution. Additionally, while staff is not aware of any testing having been conducted to confirm whether or not ground/soil contamination exists on the subject property, the subject property was previously an agricultural/farm use, which is a type of use that can sometimes cause such contamination, and contamination has been found in other properties in the vicinity due to former landfill uses or other former or current industrial uses in the area. Accordingly, there may be health risks associated with the existing residential use and occupancy of the Park without proper remediation. (Exh. 2).

These concerns, or consideration of the industrial character of the area generally, may explain why the subject property was zoned M-L and accorded a general plan land use designation of light industrial by the City years ago. Closure of the Park would pave the way for the pollution issues affecting the subject property to be redressed as a pre-requisite of any subsequent redevelopment thereof. Even properties affected by severe air pollution and ground contamination are capable of being remediated to a level that is safe for future use, sometimes even as a residential use. One example in the City is Cell 1 of the 157-acre former Cal-Compact Landfill property, which has been approved by the Department of Toxic Substances Control (DTSC) for residential development of hundreds of units upon successful completion of a remediation plan. Air pollution

concerns similarly can be redressed in connection with redevelopment via remedial measures including but not limited to installation of trees and landscaping.

Based on these considerations, staff is of the opinion that closure of the Park is in the best interest of all parties, including the Park residents, and that the Commission's focus, rather than preventing Park closure, should be on ensuring that adequate, legally-compliant measures are taken by the Park Owner to mitigate the adverse impacts of the closure on the ability of the Park residents, all of whom would be displaced, to find adequate alternative housing, and that the City, in cooperation with the Park Owner, aggressively pursue remediation of the property in connection with any potential redevelopment.

The applicant has stated it anticipates redeveloping the Park property into "denser workforce housing and possible mixed use appropriate to the industrial location." Attached to the Park Owner's Relocation Impact Report ("RIR") as exhibit I, the applicant has provided a site/yield study demonstrating potential redevelopment of the property from its current 81 mobilehome spaces into 174 one, two and three-bedroom apartments. (Exhibit 1.B, pp. 5, 62). However, the applicant has not applied to the City for approval of any subsequent development project for the Park property, and has not indicated whether the anticipated future development would include affordable housing units.

Importantly, approval of the proposed RIR does not include, relate to, or commit the City to any potential subsequent development project, or any aspect thereof, on the subject property or any other property. Instead, the Commission's consideration of the RIR relates only to the determination of the impacts that closure of the Park will have on the Park residents and what measures the Park Owner must take to mitigate those impacts. State law and the City's ordinance applicable to review of relocation impact reports for mobilehome park closures (CMC §9128.21) is discussed in Section IV.B, below.

Upon effectiveness of any final City approval of the RIR (including a Planning Commission approval and a City Council approval in the event of an appeal), the Park Owner would be required to give Park residents at least six months' notice to terminate their Park space tenancies due to Park closure in accordance with the Mobilehome Residency Law. Upon effectiveness of such termination of tenancies, the Park Owner would be authorized to compel residents to vacate the Park. The Park Owner has not committed to allowing the Park to remain open beyond said time frame.

III. Project Site and Surrounding Land Uses

The Park is located on the north side of E. Gardena Blvd. between S. Avalon Blvd. and Main St., and is comprised of two parcels, one located in the M-L zone and one located in the M-L-D (Manufacturing-Light, Design Overlay) zone. The parcels have a General Plan Land Use designation of light industrial. The Park is a nonconforming use in the ML zone.

Land uses surrounding the Park are industrial.



[Figure (a): Aerial photo of Rancho Dominguez Mobile Estates]

The following table provides a summary of information regarding the subject property:

Site Information	
General Plan Land Use	Light Industrial
Zone District	ML-D (APN 6125013057); ML (APN 6125013010)
Site Size	5.74 acres
Present Use and Development	Mobile home park – Rancho Dominguez Mobile Estates
Surrounding Uses/Zoning	North: Industrial, zoned ML South: Industrial, zoned ML East: Industrial, zoned ML-D West: Industrial, zoned ML
Access	Ingress/Egress: E. Gardena Blvd.

IV. Analysis

A. Site History; Community Outreach; Application Processing; Hearing Notice

The Park was developed around 1962, according to the appraisal report submitted by the applicant. This preceded incorporation of the City.

The Park Owner filed an incomplete application for approval of a relocation impact report for the Park with the City on February 22, 2019. The applicant hosted three informational meetings with the residents regarding the Park closure on October 21, 2019, and October 23, 2019.

The applicant filed an initial version of the RIR, together with the Brabant appraisal report, completed questionnaires from 39 residents¹ pursuant to CMC Section 9128.21(B), and other related documentation, on October 26, 2020. On December 30, 2020, the applicant submitted a revised version of the RIR to address certain application incompleteness items. The RIR application was completed on January 29, 2021, and on February 4, 2021, the Director of Community Development (“Director”), assigned the applicant the Planning Commission hearing date of April 27, 2021. The applicant agreed to this hearing date in communications with the City Attorney’s office despite the 45-day provision of CMC Section 9128.21(D), in light of the conflicting provision of Government Code (“Gov’t Code”) Section 65863.7(b), which, as amended by AB 2782 effective January 1, 2021, requires “the person proposing the change in use” (discussed further in Section IV.D, below) to provide a copy of the RIR to the Park residents at least 60 days prior to the Commission hearing.

On February 24, 2021, the Director, with assistance from the applicant, gave the Park residents notice of the April 27, 2021 public hearing before the Commission pursuant to CMC §9128.21(D). The notice of public hearing was posted to the Park property and mailed to each of the residents and coach owners via certified mail together with a cover letter from the Director, a copy of the RIR, individualized appraisal information (see Section IV.E, below), and a copy of the survey required by Section 207(B)(10) of the City’s Charter. All notices were confirmed received in accordance with applicable law. The notice materials are on file with the Community Development Department.

Charter Section 207(B)(10) (second sentence) requires the City, in determining reasonable measures to mitigate the adverse impacts of mobilehome park closures, to consider the results of a survey of the park residents’ support for the closure. The City received 35 responses to the Survey; 27 of the responses stated that they do not support the closure of the Park; two (2) stated that they support the closure of the Park on the Park Owner’s proposed relocation benefit terms; and five (5) stated that they support the closure of the Park on other relocation benefit terms – the desired terms varied, but related primarily to concerns that the appraised values of their homes were too low. Of the 35 responses, one person indicated they declined to answer the survey.

The notice of public hearing informed the residents of the opportunities they would have to participate in the public hearing, including that all residents who wish to submit public comments can do so via email or written note submitted in advance of the hearing, or can submit public comments telephonically in real-time during the hearing by joining the meeting on the zoom application.

The notice of public hearing also informed residents that due to then-current State and County COVID-19 restrictions, City was precluded from making its Community Center available as a location from which residents could provide live public comment during

¹ The number of completed questionnaires provided to the City was subsequently increased to 41.

the public hearing, but that in the event restrictions were modified prior to the hearing date so as to permit the City to lawfully provide this option, the City would do so, and in that event, a further notice would issue, providing further details regarding this method of participation. A further notice confirming availability of this option and providing details was issued on April 15, 2021.

As stated in the notice, those who wish to simply observe the hearing in real-time without offering public comment can do so by watching it live on the City's PEG channel and/or online on the City's website, where the hearing will be live-streamed.

Public comments submitted in advance of the posting of the Planning Commission Agenda for the relevant meeting are attached hereto as Exhibit 4.

B. Legal Standard; Authority to Require Relocation Assistance

Gov't Code Section 65863.7(a)(1) provides that prior to closure of a mobile home park, the person or entity proposing the change of use shall file a report on the impact of the closure of the park. The report shall include a replacement and relocation plan that adequately mitigates the impact upon the ability of the displaced residents to find adequate housing in a mobilehome park.

Pursuant to this requirement and CMC §9128.21, the Park Owner has filed the RIR (Exhibit 1.B). The RIR details replacement housing resources at pp. 8-10 and exhibits F-H. Moving costs are discussed on page 11, mobile home values are discussed on pp. 11-12 and in the Brabant appraisal report, and impacts and proposed mitigation measures are discussed on pp. 12-17. A "Relocation Plan/Explanation of Services" is provided on pp. 18-20.

Under Gov't Code §65863.7(e)(1), the Planning Commission is required, prior to approval of any change in use, to review the RIR and any additional relevant documentation and make a finding as to whether or not approval of the Park closure and the Park's conversion into its intended new use, taking into consideration both the RIR as a whole and the overall housing availability within the City, will result in or materially contribute to a shortage of housing opportunities and choices for low- and moderate-income households within the City. Under subsection (e)(2), the Commission may require, as a condition of the change, the person or entity proposing the change in use to take steps to mitigate any adverse impact of the Park closure on the ability of the displaced Park residents to find adequate housing in a mobilehome park.

Additionally, CMC §9128.21(E), in part, provides as follows:

"In approving an RIR, the Commission may impose reasonable measures not exceeding the reasonable costs of relocation to mitigate adverse impacts created by the conversion, which may include, but not be limited to, any of the following:

1. Provision for payment of the cost of physically moving the mobile home to a new site, including tear-down and setup of mobile homes, including, but not limited to, movable improvements such as patios, carports and porches.
2. Payment of a lump sum to compensate for payment of the first and last month's rent and any security deposit at the new mobile home park.

3. Payment of a lump sum to compensate for any differential between rental rates at the closing mobile home park and the new mobile home park during the first year of the new tenancy.

4. For those mobile home residents who move to apartments or other rental housing alternatives, provision for the first and last month's rent, plus security deposit, cleaning fees, not to exceed the Fair Market Rents for new construction and substantial rehabilitation for the Los Angeles area as established by the U.S. Department of Housing and Urban Development. Mobile home households may be compensated based on the number of bedrooms in the mobile home so that a one (1) bedroom mobile home may be compensated based on a one (1) bedroom apartment, a two (2) bedroom mobile home based on a two (2) room apartment, etc.

5. For those mobile home residents who move to apartments or other rental housing alternatives, a lump sum payment to compensate for any differential between rental rates at the closing mobile home park and the rental housing alternative during the first year of tenancy. Mobile home households may be compensated based on the Fair Market Rents for new construction and substantial rehabilitation for the Los Angeles area as established by the U.S. Department of Housing and Urban Development. Mobile home households may be compensated based on the number of bedrooms in the mobile home so that a one (1) bedroom mobile home may be compensated based on a one (1) bedroom apartment, a two (2) bedroom mobile home based on a two (2) bedroom apartment, etc.

6. Provision of a replacement space within a reasonable distance of the mobile home park or trailer park.

7. A requirement that a resident whose mobile home cannot be relocated within a reasonable distance to a comparable park be compensated by a lump sum payment based upon consideration of the fair market value of the mobile home on-site, including resident improvements (i.e., landscaping, porches, carports, etc.), any mortgage obligations of the resident on the mobile home, and the costs of purchasing a mobile home on-site in a comparable park or acquiring other comparable replacement housing.

8. A provision for setting aside a certain number of units for the residents of the park if the park is to be converted to another residential use."

CMC §9128.21(E) also provides that the Commission "shall approve the RIR if it is able to make an affirmative finding that reasonable measures have been provided in an effort to mitigate the adverse impact of the conversion on the ability of the park residents to be displaced to find alternative housing." Conversely, "if the Commission does not make this finding and is unable to impose reasonable measures to mitigate the adverse impact, the Commission may disapprove the RIR. No other permit or approval shall be granted in furtherance of the proposed conversion and no change of use shall occur until and unless an RIR has been approved."

C. Dispute re: Applicability of AB 2782

The foregoing discussion refers to state law as amended by AB 2782, a bill that was signed by the Governor on August 31, 2020, and took effect as law on January 1, 2021. AB 2782 amended several statutory provisions including, most notably, Gov't Code Section 65863.7. AB 2782 (without limitation) made the following key changes to Gov't Code §65863.7:

- Added a requirement that a relocation impact report, rather than “address[ing] the availability of adequate replacement housing in mobilehome parks and relocation costs,” to include “a replacement and relocation plan that adequately mitigates the impact upon the ability of the displaced residents of the mobilehome park to be converted or closed to find adequate housing in a mobilehome park.”
- Added a requirement that “if a displaced resident cannot obtain adequate housing in another mobilehome park, the person or entity proposing the change of use shall pay to the displaced resident the in-place market value of the displaced resident’s mobilehome.”
 - To facilitate this requirement, provides that “in-place market value shall be determined by a state-certified appraiser with experience establishing the value of mobilehomes. The appraisal shall be based upon the current in-place location of the mobilehome and shall assume the continuation of the mobilehome park.”
- Added a requirement that a city legislative or advisory body, before approving any closure/change of use, “make a finding as to whether or not approval of the park closure and the park’s conversion into its intended new use, taking into consideration both the impact report as a whole and the overall housing availability within the local jurisdiction, will result in or materially contribute to a shortage of housing opportunities and choices for low- and moderate-income households within the local jurisdiction.”
- Removed the limitation from prior Gov’t Code §65863.7(e) that “the steps required to be taken to mitigate shall not exceed the reasonable costs of relocation.” With removal of this limitation, Gov’t Code §65863.7(e)(2) now provides in full, “The legislative body, or its delegated advisory agency, may require, as a condition of the change, the person or entity proposing the change in use 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.”

As mentioned above, AB 2782 also changed the timeframe in Gov’t Code §65863.7 from 15 days to 60 days for the “person or entity proposing the change in use” to provide a copy of the RIR to the residents prior to the hearing, and changed the timeframe in Civil Code §798.56(g) from 15 days to 60 days for the Park management to notify residents that it would be appearing before the City to request permits for a change of use of the Park.

The Park Owner proposes to pay only Brabant off-site values (plus other small lump sum amounts depending on household size or for persons with disabilities, as detailed in Section IV.E, below), ostensibly asserting it has a right to approval of the RIR on these benefits under prior law based on a contention that the RIR application was submitted and/or completed prior to effectiveness of AB 2782, and/or to the extent it was not, that was due to intentional delays by the City in processing the application for the purpose of triggering AB 2782 (see Exhibit 3.D).

These contentions are unfounded and erroneous, and to the extent they assert intentional delay by the City in processing the application for purposes of triggering AB

2782, they represent a fabricated narrative, all designed to pressure the City into approving the RIR on terms that keep the Park Owner's costs of closing the Park as low as possible, regardless of the impacts to the residents.

To be clear, AB 2782 applies to the Commission decision on the RIR, as it would to any City decision on the RIR rendered on or after January 1, 2021. The City expressly notified the applicant of this in an application incompleteness determination letter sent to applicant on November 24, 2020, stating that "AB 2782 will take effect as law on January 1, 2021, and as such will apply to any administrative determination on your application that is rendered effective on or after said date." (Exhibit 3.E).

The RIR application was not completed until January 29, 2021, and even if it had been completed prior to January 1, 2021, it would not have resulted in any right of the Park Owner to proceed to a decision on the RIR under prior law, because applicable law does not provide or allow for the RIR application to "vest" or be grandfathered in so as to proceed under prior law. Additionally, the City has not engaged in any delay tactics or taken any action for the purpose of delaying the application as was contended by the applicant. To the contrary, the City has adhered to all legal timeframes and deadlines applicable to processing of Park Owner's RIR application.

D. Dispute re: Person or Entity Proposing Change in Use

Gov't Code Section 65863.7(i) provides that Section 65863.7 "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)."

The applicant contends that "City is the 'person proposing the change in use' of Rancho Dominguez Mobile Estates because the closure is the result of a 'zoning or planning decision, action or inaction' by the City, and City is the person required to take steps to mitigate the adverse impact of the closure on Park residents." (RIR, p. 12; see also RIR p. 4).

The Park Owner's contention is more fully detailed in its letter to the City dated April 5, 2019 (Exhibit 3.A), and is based on the City's 1977 zoning ordinance discussed above.

The City responded to the letter on April 30, 2019, pointing out that the City had taken no code enforcement action to require the termination of the Park use, and that the filing of the RIR application was at the sole volition of the Park Owner and came as a surprise to the City. The City also noted that the amortization period remained ongoing as applied to the Park, notwithstanding that the 35-year amortization period, which operates as a safe harbor period during which City could not initiate code enforcement action, has expired. The letter expressly informed the Park Owner that the City was not requiring initiation of the RIR application or approval process and that the applicant was free to withdraw its application and abandon the proposed closure if it wished to do so.

Further, the letter informed the Park Owner that the City was in the process of updating its general plan, and that said update or related processes may result in modifications to the City's mobilehome park land use and zoning standards, inviting the Park Owner to participate in these public processes moving forward, thereby suggesting that the Park Owner could work with the City toward effectuating land use or zoning changes that would allow continuation of the Park moving forward if it wished to do so. (Exh. 3.B).²

The Park Owner did reach out to the City in regards to potential land use or zoning changes to the Park property, but for the purpose of seeking to "receive a zoning designation that would support a mixed-use development, at a minimum density of 30 units per acre," revealing its motivation to redevelop the Park property for a more profitable use. (Exh. 3.E). This plan is also reflected in the RIR (p. 5, Exh. "I"), and the applicant has also met with City representatives in an attempt to ascertain the development terms/allowances to which City staff would be amenable related to the contemplated residential development project.

As stated in the City's January 25, 2021 letter to the applicant:

"Park Owner has ostensibly taken no interest in the City's overtures . . . regarding potential changes to the Park's zoning to remove the nonconforming status. If the Park Owner wished to continue operating the Park, the Park Owner would be actively seeking such a change from the City, rather than ignoring these possibilities. The City has refrained from pursuing any zoning change for the Park because Park Owner has neither applied for nor shown any interest in same, and because City is and has been under the impression that the Park Owner's true desire is to close the Park . . . If the Park Owner truly wishes to continue operating the Park but is perturbed by the lack of certainty associated with the Park's current zoning status, please notify [City staff] within the next three (3) business days, and [City staff] will be happy to work with you toward Park Owner's submittal and processing of a zone change application pursuant to [CMC] Section 9172.13. However, in that case, the RIR application should be withdrawn, or applicable processing timelines tolled."

Exhibit 3.G. The Applicant responded on January 27, 2021, stating "As soon as our client has determined action that they are interested in pursuing, I will respond to the suggestion of rezoning." Exhibit 3.H. However, on January 29, 2021, the Applicant responded by asserting (incorrectly) that the City's January 25, 2021 letter had deemed the RIR application complete, requesting that a hearing on the application be scheduled, and disagreeing with the remainder of the letter. Exhibit 3.I. Thus, the applicant made clear it preferred to pursue Park closure and is not interested in continuing to operate the Park. As a result, the City set the matter for the instant hearing.

² The City reiterated these assertions in its letter to the applicant dated November 24, 2020 (Exhibit 3.E).

E. Proposed Relocation Impact Mitigation Measures

The applicant has proposed one of two benefit packages for resident-homeowners, depending on whether it is feasible for the resident's mobilehome to be relocated to another mobilehome park.

As stated in the RIR, a survey was conducted of (i) all parks located within 30 miles, and (ii) comparable parks located between 30-50 miles, and only 37 available spaces were identified. Furthermore, generally accepted industry standards dictate that parks with available spaces will only allow mobile homes to be moved into the park if they are less than five years old, and will deny homes that are more than 10 years old. None of the coaches in the Park meet the 10-year age criteria. Therefore, as stated in the RIR, "it is a reasonable assumption that none of the Park mobile homes may be relocated to a comparable park within the vicinity of the Park." (RIR, pp. 8-9).

Relocation Assistance for Resident Homeowners who can Relocate their Coaches

In situations where it is feasible to relocate the mobilehome, the Park Owner will: (i) reimburse actual costs of relocation, including costs to disassemble, transport, reassemble and level the mobile home and all permitted moveable accessory structures; (ii) arrange and provide for transportation of the mobile home and disconnection and reconnection of utilities; (iii) pay costs of moving all personal property, allowance to be determined based on the federal fixed move schedule for the State of California and the size of the displacement dwelling and/or professional mover bids; and (iv) pay up to \$1,500 for necessary modifications to the mobile home to accommodate a disabled person within the replacement park, if the current mobile home has already been modified. Also, all residents will have access to up to eight hours' of services of a relocation specialist to help them with all aspects of the relocation process at no charge.

However, as noted above, the RIR states that it is a reasonable assumption that none of the Park mobile homes will be able to be relocated to a comparable park within the vicinity of the Park. So, it is expected that this relocation benefit package option would not apply to any residents, and instead the appraised-value benefit package option discussed below would apply to all Park residents who own their mobilehomes.

Relocation Assistance for Resident Homeowners who cannot Relocate their Coaches

In situations where it is not feasible to relocate the mobilehome, and the "Eligible Resident Owner"³ rents or buys a replacement dwelling, the Park Owner proposes to pay the homeowner a lump sum payment equal to the NADA off-site value as determined by Jim Brabant, MAI (discussed below), in addition to: (1) a lump sum payment in the amount of \$3,200 for a one-bedroom mobilehome, \$3,800 for a two-bedroom mobilehome, and \$4,800 for a three-bedroom mobilehome, as rental assistance in the form of first and last month's rent for subsequent housing; (2) an extra

³ This term is defined in the RIR as the registered owner(s) of the mobilehome with clear title, or trustors or beneficiaries of living trusts holding clear title to the mobilehome or a life estate in the mobilehome, whose mobilehome is located in the Park and who has resided in the mobilehome continually since prior to the date the RIR was filed with the City. (RIR p. 15).

\$1,000 to Eligible Resident Owners who are 62 years of age or older and/or disabled; (3) costs of moving all personal property; (4) payment of the costs of disposing of the existing mobilehome if the home owner chooses to transfer the mobilehome to the Park Owner; and (5) services of a relocation specialist as stated above.

As required by CMC §9128.21(C)(6), the on-site and off-site value of all resident-owned mobilehomes in the Park was appraised by state-certified MAI appraiser James Brabant.

The total appraised off-site value of the 57 resident-owned mobilehomes according to Mr. Brabant's appraisal was \$775,700, representing an average of \$13,608.77 per space. As stated in Mr. Brabant's appraisal report, "For the opinions of off-site value we have used the NADA Appraisal Guides and have assumed that the homes are not located in a rental mobile home park. This is a hypothetical condition that is necessary for the analysis." (Exhibit 1.C, p. 7).

The appraised off-site values were naturally far lower than the appraised on-site values, because the off-site values do not take into account the location of the coach, being sited in a rent-controlled mobilehome park in the City of Carson. The total appraised on-site value was \$1,599,000, representing an average of \$28,052.63 per space.

The Park Owner proposes to pay each Eligible Resident Owner whose coach cannot feasibly be relocated to another park the appraised *off-site* value of his/her coach (plus the other small lump sum payments discussed above). This proposal is based on Park Owner's contentions discussed above regarding non-applicability of AB 2782 to the RIR, and on the City's 2008 approval of a relocation impact report for closure of a nonconforming mobilehome park known as Bel Abbey with required relocation impact mitigation measures in the form of appraised off-site values of the Bel Abbey homes, which ranged from \$2,650 to 11,500, as well as moving/relocation costs ranging from \$1,500-\$5,100. The Park Owner contends that the same standard should apply to Rancho Dominguez, and offers to pay only what is proposed in the RIR, stating that if the City seeks to impose mitigation measures beyond what is proposed by the Park Owner, it must pay the entirety of the mitigation measures itself. (see RIR p. 15).

Despite these contentions and contingencies, which are indicative of the Park Owner's tactics discussed in Section 3.C and apparent lack of genuine concern for the residents' welfare, the Planning Commission is obligated by AB 2782 to require the Park Owner to pay the Brabant-appraised *on-site* values to resident owners who cannot relocate their coaches to adequate housing in another park, because the on-site values, not the off-site values, constitute the "in-place market value" of the homes within the meaning of AB 2782.

Per the RIR, Park Owner will pay the costs of removal and disposition of the mobilehome IF the homeowner chooses to transfer the mobilehome to the Park Owner. (See RIR p. 17). To transfer the mobilehome to the Park Owner, the homeowner would need to convey the mobilehome title to the Park Owner, so presumably the homeowner would be responsible for paying off any liens or encumbrances (or otherwise, for paying the costs of removal and disposition of the coach). However, the RIR notes that none of

the 41 households that responded to the resident questionnaire reported any existing loans on their homes.

The RIR identified 230 mobilehomes available for purchase within comparable parks within 50 miles of the Park, with purchase prices ranging from \$12,500 to \$299,900, although the majority of the dwellings were listed between \$50,000 - \$150,000. In addition, rental apartments within a 15-mile radius of the Park were available as follows: (i) 9 studio apartments with monthly rent ranging from \$950 to \$1,795; (2) 25 one-bedroom apartments with monthly rent ranging from \$1,329 to \$2,200; (3) 62 two-bedroom apartments with monthly rent ranging from \$1,695 to \$3,950; and (4) 42 three-bedroom apartments with rent ranging from \$2,095 to \$3,700. Finally, there were 97 condominiums available for sale at prices ranging from \$230,000 to \$460,000.

As an example of an apartment or mobilehome rental scenario, a resident homeowner who cannot relocate his/her mobilehome and who nets \$30,000 in payment as mitigation assistance after transferring the mobilehome would be able to use the funds to pay for 30 months' worth of rent for an apartment/mobilehome at \$1,000 per month, 20 months' worth of rent at \$1,500 per month, 15 months' worth of rent at \$2,000 per month, or 12 months' worth of rent at \$2,500 per month, before the funds run out. If the household nets \$20,000 in relocation assistance, these numbers drop to 20 months at \$1,000 per month, 13.33 months at \$1,500 per month, 10 months at \$2,000 per month, or 8 months at \$2,500 per month.

Alternatively, as an example of a mobilehome purchase scenario, a 20% down payment for purchase of a mobilehome costing \$90,000 would be \$18,000, leaving \$12,000 remaining for a household that nets \$30,000 in relocation assistance. However, the household would then be obligated to pay mortgage payments on such purchase (\$72,000 mortgage amount @ 5% interest for 30 years = \$387/month) in addition to space rents at rates that may not be subject to local rent control in the jurisdiction in which the home is sited. Assuming a mortgage payment of \$387 per month and a space rent of \$1,000 per month, a household that receives \$30,000 in relocation assistance would be able to pay for the home using relocation assistance for between 8-9 months before the funds run out. Assuming a mortgage payment of \$387 per month and a space rent of \$500 per month, a household that receives \$30,000 in relocation assistance would be able to pay for the home using relocation assistance for approximately 13.5 months before the funds run out. A household that nets \$20,000 in relocation assistance would have just \$2,000 remaining after the down payment for the purchase in this scenario.

In regards to the timing of relocation benefit payments, the RIR provides that upon issuance of the 6-month notice of termination of tenancy, Eligible Resident Owners (discussed in section F, below) may submit written requests to the Park Owner and/or relocation specialist to receive appropriate relocation benefits and will be immediately entitled to the services of the relocation specialist. All or some portion of the monetary benefits may be paid prior to the resident's actual vacation of the Park provided that the resident provides assurances to the satisfaction of the Park Owner that adequate arrangements have been made to vacate the Park and that advance funding is needed to pay the relocation expense. Otherwise, monetary benefits will be paid in full within three (3) days of vacation of the Park by the Eligible Resident Owner.

Proposed Mitigation to Other Residents/Lesseees

For residents who do not own their coaches (i.e., those who are tenants in Park-owned coaches), the RIR states the Park Owner has no obligation to mitigate relocation costs, and offers only to provide a fixed payment to “Eligible Home Renters”⁴ based on the federal fixed move schedule to assist with moving their personal property to a replacement dwelling provided the renter and all other occupants permanently vacate the Park. Subleasing is prohibited in the Park, and as such, Park Owner offers no mitigation to subleasing tenants or non-residents. (RIR p. 17).

Affordable Housing Options/Impacts

The RIR does not propose any affordable housing options or subsidies for displaced residents. However, the RIR does identify an anticipated future use of the Property, describing it as including “denser workforce housing” consisting of 174 one, two and three bedroom apartments (RIR p. 5). The RIR does not specify whether such use would include actual deed-restricted affordable housing units, but does assert that it would include and contribute to housing opportunities for low- and moderate-income households within the City and would not materially contribute to a shortage of housing opportunities for low- and moderate-income households.

As noted above, AB 2782 requires the City to make a finding as to whether or not approval of the Park closure and the Park's conversion into its intended new use, taking into consideration both the RIR as a whole and the overall housing availability within the City, will result in or materially contribute to a shortage of housing opportunities and choices for low- and moderate-income households within the City.

The City commissioned a study performed by City consultant RSG, Inc., in order to assist in making this finding. (Exhibit 2). The study found that the closure of the Park will materially contribute to the shortage of affordable housing in the City for several reasons: (1) The potential future of the use of the site is uncertain and may take several years to develop; (2) there are no available mobile home spaces for lease within the City; (3) while there is a supply of market rate units, the existing marketplace cannot accommodate the displaced residents at their income levels; and (4) although the City is in negotiations with two private developers for the potential provision of over 200 affordable housing units to be included in projects in the housing development pipeline, at this time only 83 affordable units are in the pipeline. The study further found that the RIR as proposed does not adequately mitigate the effect of the closure of the Park on the displaced residents, and recommended five potential mitigation measure options including increasing relocation rental assistance.

⁴ The RIR defines this term as “those who occupy a Park-owned mobilehome and are named on its lease agreement with Park Owner at the time of filing the Impact Report.”

F. Proposed Resolution and Conditions

Adoption of the proposed resolution (Exhibit 1) would approve the RIR subject to the “Conditions of RIR No. 04-19” attached to the proposed resolution as Exhibit “D” (the “Conditions”).

Based on the RSG study and other relevant documentation, the proposed resolution (Exhibit 1) contains a finding, pursuant to Gov’t Code Section 65863.7(e)(1)(B), that the Park closure as proposed in the RIR will materially contribute to a shortage of housing opportunities and choices for low- and moderate-income households within the City.

The Conditions would require Park Owner to pay the appraised *on-site* values to Eligible Resident Owners whose homes cannot be relocated to available spaces in comparable parks within 50 miles of the Park, rather than the appraised *off-site* values as proposed in the RIR. This modification is required pursuant to AB 2782, and also reflects substantial implementation of option 3 (“increase relocation assistance”) of the potential mitigation measures suggested in the RSG study. Although the laws referenced in the discussion of option 3 in the Study do not apply here because the City is not acquiring the subject property for a public use, the basic premise of increasing the relocation benefits required to be paid by the Park Owner under applicable law (e.g., AB 2782) applies and is advanced by this modification.

Other changes recommended by staff and reflected in the Conditions relate to the eligibility criteria for residents to qualify to receive the foregoing payments. These include adding a caveat in Condition 9 to the effect that Option A shall apply only when it is feasible to relocate a mobile home *to an available space in a comparable mobilehome park within a reasonable distance of the Park*, and otherwise Option B will apply to Eligible Resident Owners. “Within a reasonable distance” is defined to mean within 50 miles, unless a resident expressly agrees to a further distance in writing. Additionally, the definition of “Eligible Resident Owners” has been modified to remove the “clear” title and continuous occupancy requirements, because these constitute additional restrictions not found in AB 2782 and capable of creating a conflict therewith. Finally, the provision suggesting that an Eligible Resident Owner must rent or buy a replacement dwelling as a condition of entitlement to Option B payments has been removed because it is inconsistent with AB 2782 and because renting or buying a replacement dwelling right away may not be feasible or in the best interest of a particular homeowner depending on the timing and amount of mitigation payment received and other considerations, and therefore should not be condition of entitlement to receipt of Option B benefits. The Conditions also provide that the Option B benefits shall be paid to the Eligible Resident Owner *or successor-in-interest*, to clarify that if an Eligible Resident Owner passes away, or if his or her interest is transferred to a successor in some other way prior to payment, the benefits will not be forfeited and instead shall be paid to the Eligible Resident Owner’s successor-in-interest.

In regards to the timing of payment of Option B benefits, the Conditions require full payment to be made to an Eligible Resident Owner at least 30 days prior to the date the Eligible Resident Owner vacates the Park, provided that the resident provides assurances to the satisfaction of the Park Owner that adequate arrangements have been made to vacate the Park and that advance funding is needed to pay the relocation

expense. Otherwise, the Conditions change the latest possible date of payment from 3 days after the date the Eligible Resident Owner vacates the Park, as proposed in the RIR, to the date the Eligible Resident Owner vacates the Park.

Many of the Conditions are procedural in nature, for the purpose ensuring the fair and orderly implementation of the City's decision and the relocation impact mitigation measures. The Conditions are generally similar to those imposed in connection with approval of the relocation impact report for Imperial Avalon Mobile Estates in 2020. However, there are some differences arising from different circumstances such as applicability of AB 2782 and the different proposed mitigation measures and timeline for Park closure.

For example, the Rancho Dominguez Park Owner, unlike the Imperial Avalon owner, has not agreed to additional time for residents to vacate the Park after approval of the RIR beyond the required six months' notice of termination of tenancy. Accordingly, the condition related to early termination of space tenancies (i.e., allowing residents to enter into agreements to leave the park prior to park closure subject to payment of full benefits) that was included for Imperial Avalon has been omitted. For this same reason, Section 4 of the proposed resolution provides for the RIR approval to remain valid only for the default period of 12 months pursuant to CMC Section 9128.21(l).

Notable Conditions include (among others):

- A condition providing that if an Eligible Resident Owner has failed or refused to select a benefit package by the date of termination of their Park tenancy, subject to a final 30-day notice given by the Park Owner, Option A will apply where it is feasible to relocate the mobile home to a comparable mobile home park within a reasonable distance of the Park, and Option B will apply where it is not. If the Park Owner fails to give the required 30-day notice, Option B will apply. (Condition No. 12).
- A condition requiring execution of a relocation agreement on a City Attorney-approved form for all resident-homeowners who are subject to Option B and elect to transfer their mobilehomes to the Park Owner, which agreement shall provide for Park Owner to pay all escrow closing costs (Condition No. 14);
- A condition establishing a process whereby residents may apply for appraisal adjustments to correct errors or omissions made in the Brabant appraisal regarding the improvements or characteristics of their home. This does not allow for a new appraisal or for use of a different appraisal methodology. (Condition No. 17);
- A condition providing for appointment of a special master to resolve benefit entitlement disputes between the Park Owner and Park residents related to interpretation or implementation of the City's decision on the RIR (Condition No. 18); and
- A provision for the City to retain jurisdiction to enforce the Conditions until after the Park closure process is complete and all residents have vacated. (Condition No. 19).

V. Zoning and General Plan Consistency

The proposed RIR does not involve any change to the existing zoning designations or General Plan land use designations.

VI. Environmental Review

The City's consideration of the proposed RIR is not subject to review under the California Environmental Quality Act (CEQA), because it does not constitute a "project" within the meaning of CEQA. (Pub. Res. Code §21065; 14 CCR §15378). Approval of the RIR does not have the potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Approval of the RIR relates only to the determination of the measures required to be taken by the applicant to mitigate the adverse impacts on Park residents who will be displaced by the closure of the Park, as authorized and required by applicable law. Additionally, approval of the RIR does not constitute "approval" of any "project" for purposes of CEQA, because the RIR is not a project, and because approval of the RIR does not commit the City to a definite course of action or foreclose options or alternatives in regard to any project intended to be carried out by any person, including the applicant, and because it does not constitute a commitment to issue or the issuance of a discretionary contract, grant, subsidy, loan, or other form of financial assistance, lease, permit, license, certificate, or other entitlement for use of a project (14 CCR §15352). No application has been filed for any proposed development or use of the subject property after cessation of the mobilehome park use.

VII. Public Notice

Notice of the public hearing was posted to the subject property, and copies of the notice of public hearing and the RIR were mailed to all residents and mobile home owners of the Park via certified mail by the Director with assistance from the applicant pursuant to CMC §9128.21(D) on February 24, 2021. The Director, with assistance from the applicant, verified that all Park residents and mobilehome owners received these documents and were therefore notified of the public hearing in accordance with applicable law. The meeting agenda was posted on the City's website and at City Hall no less than 72 hours prior to the Planning Commission meeting.

VIII. Recommendation

That the Planning Commission:

- ADOPT Resolution No. 21-2708, A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF CARSON CONDITIONALLY APPROVING RELOCATION IMPACT REPORT NO. 04-19 FOR MITIGATION OF RELOCATION IMPACTS OF CLOSURE OF RANCHO DOMINGUEZ MOBILE ESTATES.

IX. Exhibits

1. Draft Resolution No. 21-2708
 - A. Legal Description of Park Property
 - B. RIR
 - C. Brabant Appraisal Report (Main Introduction and Narrative Portion)

- D. Conditions of RIR No. 04-19
- 2. RSG Low- and Moderate-Income Housing Impact Analysis
- 3. Correspondence with Applicant (non-exclusive list)
 - A. Applicant Letter Dated April 5, 2019
 - B. City Letter Dated April 30, 2019
 - C. Applicant Letter Dated June 3, 2019
 - D. Email Correspondence Dated 7/15/20-10/9/20 re: Rancho Dominguez Home Appraisals
 - E. City Letter Dated November 24, 2020
 - F. Applicant Letter Dated December 30, 2020
 - G. City Letter Dated January 25, 2021
 - H. Applicant Email Dated 1/27/21 re: Rancho Dominguez Mobile Estates
 - I. Applicant Letter Dated January 29, 2021
- 4. Public Comments

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