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CITY OF CARSON

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**Subject:** **Rancho Dominguez Mobile Home Park Closure and Conversion Low- and Moderate-Income Housing Impact Analysis**

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Per the City of Carson's ("City") request, RSG, Inc. ("RSG") prepared a Low- and Moderate-Income Housing Impact Analysis to assist the City to make findings in relation to Government Code Section 65863.7(e) and the closure of the Rancho Dominguez Mobile Home Park ("Park"). RSG understands that this is a requirement of Government Code Section 65863.7(e) that must be taken prior to a change in use of a mobile home park to determine if the closure of the Park and its conversion to a different use will materially result in or contribute to the shortage of housing options for low- and moderate-income households.

The legislative intent of Government Code Section 65863.7(e) is to examine if the closure of mobile home park will have a negative effect on a community's supply of affordable housing and the availability of housing options for the displaced mobile home park residents. If it is determined that there are inadequate affordable housing options or adverse impacts on displaced residents, a legislative body may require, as a condition of the change in use, that mitigation measures be taken by the mobile home park owner.

RSG reviewed and analyzed the following to determine the impact of the Pak closure:

- The Relocation Impact Report ("RIR") prepared by Park, Overland, Pacific & Cutler, LLC to understand the potential use of the site;
- The City's Regional Housing Needs Assessment allocations and annual housing production progress to determine the jurisdiction's overall housing needs;

- Both affordable and market rate housing projects recently completed and those currently in the development pipeline; and
- Mitigation measures for the Park Owner and for the City to consider as a way to offset any adverse impacts of the Park closure and conversion.

## **MOBILE HOME PARK BACKGROUND**

Rancho Dominguez is a 5.74-acre, 81 space, all-age community mobile home park located in an industrial area of the City of Carson. The Park is currently owned and operated by Carter-Spencer Enterprises, LLC (“Owner”), who recently submitted an application to the City to permanently close the Park.

The mobile homes are a mix of singlewide and doublewide coaches, ranging from one to three bedrooms. The coaches range in size from 540 square feet to 1,368 square feet. Based on a survey of the residents of the Park, all of the units are at least 20 years old, with the average age of the homes being 47 years. Many of the homes have improvements such as porches, patios, sheds, hardscape, landscape and carports.

When the Park was first developed in 1962 prior to the City’s incorporation, mobile home parks were allowed in light manufacturing zones (formerly known as M-1 zones, now re-designated as ML zones) when issued a variance. However, after the City was incorporated, City Council adopted Ordinance No. 77-413 (the “Ordinance”) that stated mobile home parks were no longer permitted uses in manufacturing-zoned districts. Mobile home park usage in these zones therefore became legal, nonconforming uses.<sup>1</sup> The Ordinance granted a period of the legal non-conforming use for up to 35 years, from October 1977, after which time the non-conforming use must terminate or be made conforming. This period expired in November 2012.

It is worth noting that according to the California Office of Environmental Health Hazard Assessment, the Census Tract that Rancho Dominguez is located in is in the top 10% of the state for the levels of diesel emissions and toxic substance pollution (meaning the census tract is one of top tracts for this type of pollution). In addition, other sites in the near vicinity of the Park have tested positive for soils contamination. While the Park property has not been tested for ground contamination itself, there is a probability that it is also contaminated. This is likely related to the Park’s location in an industrial area and proximity to a former landfill site.

According to the RIR, in 2000, the City informed the Park’s owner that the Park’s legal conforming use would no longer be legal as of November 2012. At the time, the Park informed its residents and all future residents that the Park would have to close. In April

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<sup>1</sup> The current zoning of the property is Manufacturing Light – Design Overlay (MS-D) zone, which does not permit residential development.

2011, the Park Owner met with the City staff to seek an extension of the legal non-conforming use. Although the City and the Park Owner did not reach an agreement in that case, the City enacted a moratorium on mobile home park closures in 2015. The moratorium expired in December 2017. In 2019, Park Owner filed an application with the City to close the Park.

## **RELOCATION IMPACT REPORT**

In 1978, the California Legislature enacted the Mobile Home Residency Law (Civil Code Section 798 et seq.) which regulates the use and closure of mobile home parks.<sup>2</sup> Overland, Pacific & Cutler, LLC (“OPC”) prepared a Relocation Impact Report (“RIR”) for the Park Owner in accordance with Government Code 65863.7. The purpose of the RIR is to report on the impact of the proposed Park closure upon the residents of the Park. The RIR is required to include a replacement and relocation plan that adequately mitigates the impact upon the ability of the displaced residents of the mobile home park to be converted or closed to find adequate housing in a mobile home park.

RSG reviewed the RIR to better understand the implications of the Park closure and conversion on the supply of affordable housing options in the community and to determine if there are any adverse impacts to the Park residents. The following subsections outline the major findings from the RIR.

### **Proposed Conversion**

The RIR states that the Park Owner anticipates developing the property into denser workforce housing and possible mixed uses. The Owner proposes the potential redevelopment of the Property from 81 mobile home spaces into 174 one-, two-, and three-bedroom apartments. If the site is developed as described, the RIR states that the anticipated future use of the Property would include and contribute to housing opportunities for low- and moderate-income households within the City.

However, because the current zoning designation (Manufacturing Light) does not allow residential development on that site, the Owner would need to secure discretionary approval from the City to move forward with the anticipated use. The Community Development Director of the City stated there are multiple ways to achieve this including a Specific Plan (and corresponding General Plan Amendment) or a General Plan Amendment and Design Review to change the site to Urban Residential. This process may include, but is not limited to, environmental review, a public hearing by the Planning Commission, and a public hearing by the City Council. The Community Development Director confirmed that

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<sup>2</sup> Civil Code sections 798 et seq. and Government Code sections 65863.7-65863.8.

at the time of the writing of this report, the Park Owner had not submitted an application for the potential development.

The entitlement process for the anticipated use may result in a more adverse impact on the supply of affordable housing than the RIR acknowledges. Between the six-month notice that the Owner must provide to the residents before the ultimate closure of the Park and the completion of construction for the future anticipated use, it could take several years to replace the lost units.

### **Resident Makeup**

Of the 81 mobile homes in Rancho Dominguez, 58 are owner occupied and the remaining 23 are occupied by tenants in coaches that are owned and leased by the Park Owner. All of the residents consider Rancho Dominguez as their primary residence. For owner occupied coaches, rents range between \$393 and \$424 per month. For tenant occupied coaches, rents between \$1,370 – \$2,040 per month.

The Park Owner distributed a survey to all residents within the Park. Out of 81 residences, 41 responded to the survey. Some of the Park residents reported to be elderly and on fixed incomes, and half of the households reported they are Extremely Low and Very Low Income. Of the 41 respondents, 32 are at the low-income level or below. Based on the number of responses, it is safe to assume that a large majority of park resident are low-income residents.

<b>Table 1 - Rancho Dominguez Mobile Home Park Household Incomes<sup>1</sup></b>	
<b>Income Level</b>	<b># of Households</b>
Extremely Low Income (30% or less of AMI)	11
Very Low Income (31%-50% of AMI)	10
Low Income (51%-80% of AMI)	11
Above Low Income (> 80% of AMI)	3
Unknown Income	6

1. Based on a survey of Park residents. Of 81 households, 41 responded.

### **Housing Options for Displaced Tenants**

The RIR conducted a survey of available housing options in Carson for the displaced tenants. The data indicates that there are only five rental units available in the City of Carson.<sup>3</sup> Because of the low number of available units, the RIR expanded its search to a 15-mile radius of the park and found that there are 138 market rate units available for rent.

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<sup>3</sup> RSG conducted an updated search in April 2021 and found approximately 10 market rate units available for rent in Carson.

The RIR included a survey of all 21 mobile home parks in the City and found that there are currently no vacant pads for displaced residents to relocate to. The RIR expanded its scope to mobile home parks within a thirty-mile radius of Rancho Dominguez. Of the 108 mobile home parks in the vicinity, there were 13 open pads available for lease.<sup>4</sup> However, it should be noted that it is extremely unlikely that many of the coaches, due to their age, will be able to be transported.

The RIR survey reported 111 condominiums available for sale within a twenty-mile radius of the Park, however none of the condos are located within Carson. The condos ranged from a median price of a one-bedroom condo at \$309,000 to the median price of a four-bedroom condo at \$674,500. Based on RSG's calculations, an affordable sales price for an ownership unit for a moderate income, four-person family is \$376,000. While there are a fair number of market rate condos for sale within a twenty-mile radius, the majority of the condos would not be considered an affordable housing price for ownership units.

The RIR demonstrates that there is an adequate number of market rate housing units available in the surrounding communities for the displaced residents; however, RSG finds that there is not an adequate supply of affordable units for displaced tenants.

### **Park Owner Mitigation Options**

The Park Owner provided several relocation benefit payment options to the displaced residents of the Park. They include relocation costs, relocation assistance, and additional benefits to the mobile home resident-owners without reimbursement from the City.

Where it is feasible to relocate a mobile home, payment will be provided as set forth below to eligible resident owners.<sup>5</sup>

- Reimburse the actual cost to relocate the mobile home to another mobile home park within 50 miles of the Park.
- Payment of moving costs associated with moving all personal property.<sup>6</sup>
- Payment up to \$1,500 for necessary modifications to the mobile home to accommodate a handicapped or disabled person within the replacement park.
- Services of a relocation specialist to assist owners through aspects of the relocation.

The RIR states that generally accepted practices among mobile home park operators allow

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<sup>4</sup> The RIR referenced 37 open pads, but after review of the RIR data, RSG could only calculate 13 open spaces.

<sup>5</sup> Eligible Resident Owners are registered owner(s) of their mobile home with clear title, or trustors or beneficiaries of living trusts holding clear title to the mobile home or hold a life estate in the mobile home, whose mobile home was located in the park and who have resided in that mobile home continually since prior to the date this Impact Report is filed with the City.

<sup>6</sup> Allowance to be determined based on the most current federal fixed move schedule for the State of California and the size of the displacement dwelling and/or professional mover bids;

homes to be moved into a mobile home park if they are less than five years old and typically deny homes that are more than ten years old. All of the mobile homes within the Park are older than ten years old. Unfortunately, because of the age of the coaches, it is unlikely that any resident can take advantage of this option.

In situations where it is not feasible to relocate the mobile home, and the eligible resident owner rents or buys a replacement dwelling, the Park Owner payment offered the following payment:

- Lump sum payment equal to the off-site value of the home, plus additional moving and relocation assistance.<sup>7</sup>
- Rental assistance in the form of an additional lump sum of \$3,200 for a one-bedroom mobile home, \$3,800 for a two-bedroom, and \$4,800 for a three-bedroom mobile home
- An additional \$1,000 will be provided to Eligible Resident Owners who are 62 years of age or older and/or disabled.
- Payment of moving costs associated with moving all personal property.
- Services of a relocation specialist to assist Eligible Resident Owners through aspects of the relocation.
- If the eligible resident owner chooses to transfer the mobile home to the Park Owner, the Park Owner will be responsible for its disposal or disposition.

While the Park Owner has no obligation to mitigate relocation costs for households occupied by tenants in Park-owned mobile homes, the Park Owner has offered to provide a fixed lump sum payment to eligible home renters to assist with moving their property to a replacement dwelling.<sup>8</sup>

## **SUPPLY OF AFFORDABLE HOUSING IN THE CITY OF CARSON**

Like the rest of California, the City of Carson is experiencing a shortage of affordable housing. The City is proactive in building affordable housing and is continually partnering with the private sector for the provision of additional affordable housing units to meet the community's needs. In addition, the City of Carson is seeking to augment its affordable housing options by leveraging the City's funds by securing various grants. RSG examined the supply of affordable housing and housing development activity in the City to assess the various options available to residents.

According to the 2010 Census, there were 26,226 housing units, of which 19,529 (76.8%) were owner-occupied, and 5,903 (23.2%) were occupied by renters. Over 75% of the population, 68,924 people, lived in owner-occupied housing units, and 21,487 people

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<sup>7</sup> With any outstanding liens, unpaid property taxes HCD registration fees, or any other outstanding or required payments first deducted

<sup>8</sup> Those residents who occupy a Park-owned mobile home and are named on its lease agreement with Park Owner at the time of filing the RIR.

(23.4%) lived in rental housing. The homeowner vacancy rate was 1.3%; the rental vacancy rate was 3.7%. Anecdotal evidence collected from various affordable housing developments in the City indicates that the vacancy rates for affordable units is lower than the City market rate average.

Of the 26,226 housing units, 685 are designated as affordable units. Since 2013, 1,157 housing units, including 268 affordable units, have been constructed within the City at various income levels.

In addition to the data provided in the RIR, RSG analyzed the City's Regional Housing Needs Assessment allocations, evaluated existing affordable housing options in the City, and analyzed housing projects in the development pipeline in Carson. This analysis provides data on relocation options for the displaced residents of the Park. The following subsections summarize RSG's analysis.

### Regional Housing Needs Assessment

The City of Carson has made significant progress towards its fifth cycle Regional Housing Needs Allocation ("RHNA") through 2019. Since 2013, the City of Carson has partnered with multiple developers for the development of 1,157 residential units, which included 96 very low-income units, 82 low-income units, and 90 moderate-income units. The City must produce 722 housing units to meet its current RHNA allocations. At the time of writing of this report, the City is in negotiation with two private developers for over 200 additional affordable units.

Table 2 demonstrates the progress that local communities in the vicinity of Carson have made toward their RHNA allocations. While the City still has some progress to make, Carson is faring better than many of its neighbors on meeting its RHNA allocations, especially in the very low- and low-income allocations.

Table 2 - 5th Cycle RHNA Progress <sup>1</sup>					
City <sup>2</sup>	Very Low Progress %	Low Progress %	Moderate Progress %	Above Moderate Progress %	% COMPLETED TOTAL
Hawaiian Gardens	0%	0%	0%	2%	1%
Torrance	0%	0%	2%	19%	8%
Redondo Beach	0%	6%	0%	42%	18%
Long Beach	17%	6%	0%	51%	27%
Lakewood	10%	0%	1%	72%	33%
Artesia	0%	0%	0%	122%	52%
<b>Carson</b>	<b>21%</b>	<b>31%</b>	<b>32%</b>	<b>91%</b>	<b>54%</b>
Norwalk	2%	10%	55%	101%	54%
Signal Hill	100%	100%	68%	40%	70%
Gardena	0%	0%	82%	176%	90%
<b>Average</b>	<b>15%</b>	<b>15%</b>	<b>24%</b>	<b>72%</b>	<b>41%</b>

1. Data captures RHNA progress from 2014 to 2018. The City of Carson's RHNA progress is based on the City's 2018 Housing Element Annual Progress Report. All other RHNA progress figures are based on data from HCD.

2. Comparison group of cities are located in South LA County and have RHNA allocations of 100 units or more.

## Existing Affordable Housing Options

There are nine affordable housing complexes in the City that provide a total of 685 affordable housing units. As mentioned above, the affordable housing complexes have a very low vacancy rate and often have lengthy waiting lists. Table 3 provides a breakdown of the affordable units throughout the City.

Table 3 - Affordable Rental Housing Unit Inventory <sup>1</sup>						
	Type	Total Units <sup>2</sup>	Extremely Low (30% AMI)	Very Low (40% - 60% AMI)	Low (60% AMI)	Moderate (80% - 90% AMI)
Carson City Center	Senior	85	0	42	0	43
Villagio	Family	147	0	30	117	0
Carson Terrace	Senior	61	0	15	0	46
Avalon Courtyard	Senior (62+)	91	0	46	0	45
Via 425	Family	103	11	48	44	0
Arbor Green	Family	39	4	22	13	0
Bella Vita/Sepulveda Senior Housing	Senior	64	7	37	20	0
Veterans Village	Family	50	5	28	17	0
Carson Arts Colony	Family	45	9	15	0	21
<b>Total</b>		<b>685</b>	<b>36</b>	<b>283</b>	<b>211</b>	<b>155</b>

1. Affordability levels are based on HCD income limits.

2. Excludes manager and staff units.

In addition to the affordable housing units listed above with covenants restricting their rents, there are 272 public housing choice vouchers (Section 8) utilized within the City as of February 2020.<sup>9</sup> The Housing Authority of Los Angeles administers the Section 8 program; however, the waiting list is currently closed to new applicants.

There are 2,324 mobile home spaces within 21 mobile home parks the City, including Rancho Dominguez. While mobile home park spaces are not always technically deemed as affordable, mobile home parks contribute to the functionally affordable housing supply within the City because their rents are subject to the City of Carson's Mobile Home Rent Control Ordinance. At this time, however, there are no available pads for lease within the City of Carson for displaced residents to relocate to.

As demonstrated with the above data, there are few existing affordable housing options within the City of Carson for the displaced residents.

## New Housing Units in the Pipeline

Developers in the City are in various phases of the development process for over 1,800 market rate housing units throughout the community. As mentioned above, the City is working with two private developers for the provision of over 200 additional affordable housing units. Imperial Avalon is currently in the entitlement phase, with construction expected to be completed in early 2026. When completed, it will have approximately 83

<sup>9</sup> According to the City's Community Development Block Grant ("CDBG") Analysis of Impediments.



affordable units and 1130 market rate units. Because the other project is still under negotiation, further details cannot be provided.

The breakdown of these units can be found in Table 5.

<b>Table 5 - Housing Units in Development Pipeline</b>					
<b>Project Name</b>	<b>Status</b>	<b>Location</b>	<b>Type</b>	<b>Number of Units</b>	<b>Affordability</b>
Rand	Under Review	225 W. Torrance Blvd.	MFR	356	Market Rate
Carson Loft Apartments	Under Review	21240 S. Main St.	MFR	19	Market Rate
Imperial Avalon	Under Review	S. Avalon Blvd.	MFR	1130	Market Rate
Imperial Avalon	Under Review	S. Avalon Blvd.	MFR	83	Affordable
N/A	Under Review	140 W. 223rd St.	SFR	2	Market Rate
N/A	Under Review	243 W. 233rd St.	ADU	1	N/A
N/A	Under Review	366 E. 228th St.	ADU	1	N/A
N/A	Under Review	2874 E. Tyler St.	ADU / JADU	2	N/A
N/A	Under Review	22107 Newkirk Ave.	ADU	1	N/A
Carson Upton Condos	Approved	1007 E. Victoria St.	SFR	36	Market Rate
Carson Landing Condos	Approved	1301 E. Victoria St.	SFR	95	Market Rate
Carson Landing Condos	Approved	1301 E. Victoria St.	MFR	80	Market Rate
Moshar 223rd Condos	Approved	123 E. 223rd St.	SFR	9	Market Rate
Cambria Court Condos	Approved	345E. 220th St.	SFR	35	Market Rate
Dolores Condos	Approved	21915 S. Dolores St.	SFR	5	Market Rate
Birch Condos	Approved	21809 S. Figeuroa	SFR	32	Market Rate
Union South Bay Apartments	Under Construction	21521 S. Avalon Blvd.	MFR	357	Market Rate
Evolve South Bay Apartments	Under Construction	20330 South Main St.	MFR	300	Market Rate
<i>Subtotal - Market Rate Units in Pipeline</i>				<b>1804</b>	
<i>Subtotal - Affordable Units in Pipeline</i>				<b>83</b>	
<b>Total Number of Residential Units in Pipeline</b>				<b>1887</b>	

## IMPACT OF THE CLOSURE ON LOW- AND MODERATE-INCOME HOUSING OPTIONS

The closure of Rancho Dominguez Mobile Home Park will result in the loss of 81 functionally affordable units, with a total of 165 bedrooms within the community. Because of its illegal zoning and possible contamination, it is arguable that the loss of these units shall not count towards the loss of affordable housing units. However, the closure will result in the displacement of approximately 81 low-income families, with minimal affordable housing options.

Mobile homeowners are a uniquely vulnerable group of tenants due to the investment made in purchasing and maintaining their homes and the high cost and difficulty involved in attempting to move a home. Additionally, many of the owners are seniors on fixed incomes and many have low or moderate incomes. Unlike apartment tenants, mobile homeowners cannot just pack their personal belongings and move if rents increase to a level they cannot afford.

The potential closure of the Rancho Dominguez creates a challenging and unique situation for the Park Owner, the Park residents, and the City of Carson as it relates to the availability of low- and moderate- income housing options. The Park is currently a legal, non-conforming use located in an industrial area within the City. The Park's legal conforming

use expired in November 2012, requiring the Park to close, but due to several circumstances, the Park Owner could not consider closing the Park until now. Due to environmental health concerns and usage issues, it may be in the best interest of all parties to close the Park and relocate the residents to safer locations.

## **Findings**

After reviewing the RIR, analyzing the supply of affordable housing in the community, and evaluating the Owner's proposed mitigation measures for displaced residents, RSG has made the following findings:

- The closure of the Park will materially contribute to the shortage of affordable housing for several reasons:
  - The timeline for the potential future of the use of the site is uncertain and may take several years to develop due to discretionary approvals needed by the City.
  - There are no available mobile home spaces for lease within the City.
  - While there is a supply of market rate units, the existing marketplace cannot accommodate the displaced residents at their income levels.
  - The City is in early stages of negotiation for additional affordable housing units however, at this time, there are no additional affordable housing units currently under construction.
- The RIR does not adequately mitigate the effect of the closure of the Park on the displaced residents.

## **MITIGATION MEASURES**

Section 65863.7 of the Government Code states that the City may require, as a condition of the closure and conversion of the Park, steps to mitigate any adverse impact of the conversion, closure, or cessation of use on the ability of displaced mobile home park residents to find adequate housing in a mobile home park.

The scarcity of available mobile home park spaces and other affordable housing, coupled with the difficulty or impossibility in the actual moving of the existing mobile homes in the Park dictates the necessity to provide alternative assistance to displaced residents to secure replacement housing. With this understanding, the Owner has proposed several mitigation measures, as previously discussed. However, because the closure of the Park contributes to the shortage of affordable housing options, RSG recommends implementing additional mitigation measures to offset the adverse effects of the closure of the Park.

Like the rest of California, Carson has an affordable housing shortage. Although it appears challenging, there are several mitigating measures that can assist the Owner in offsetting the contribution to the affordable housing shortage. The following possible mitigation

measures, implemented separately, or as a combination thereof, would provide an additional safety net to residents, allowing the displaced occupants the ability to stay in their community, and offset the contribution towards the shortage of affordable housing from the closure of the mobile home park.

#### **Mitigation Measure Option 1: On-Site Construction of New Affordable Housing Units**

The Park Owner anticipates developing the property into denser workforce housing and possible mixed-use. The Owner proposes the potential redevelopment of the property from 81 mobile home spaces into 174 one-, two-, and three-bedroom apartments. If the site is developed as described, the RIR states that the anticipated future use of the property would include and contribute to housing opportunities for low- and moderate-income households within the City. However, because the current zoning designation (Manufacturing Light) does not allow residential development on that site, the Owner would need to secure discretionary approval from the City to move forward with the anticipated use. This results in an uncertain timeline regarding the replacement of the lost units.

If the Owner and future developer of the property secure entitlements to construct 174 apartments, the tenants of Rancho Dominguez may be offered first right of re-entry to live at the property. In this case, it would be best if Owner and future developer of the property set aside 81 of the units as affordable units to accommodate the displaced residents.

As mentioned earlier, the California Office of Environmental Health Hazard Assessment, determined that Rancho Dominguez is located in a Census Tract that is rated in the top 10% of the state for the levels of diesel emissions and toxic substance pollution. Other sites nearby have tested positively for soils contamination due to the previous landfill in the nearby vicinity. While the site itself has not been tested for ground contamination, there is a likely possibility of soil contamination. The future developer of the site should fully mitigate these risks to future tenants with the remediation of any contamination. Mitigation measures under this option could include conditions of approval on the future project related to air quality control and other environmental remediation.

Because of the uncertain timeline associated with the future development of this property, under this mitigation option, displaced residents would need additional assistance from the Owner until the housing units are built.

#### **Mitigation Measure Option 2: Create an Affordable Housing In-Lieu Fee or Housing Impact Fee**

The City of Carson may create an inclusionary affordable housing requirement with an

in-lieu fee option that applies to future developments and the closure of mobile home parks. In the case of the potential future development of this property, the developer would be requesting a Specific Plan and General Plan Amendment. As such, the City may request an additional community benefit tied to the development. The development of the in-lieu or impact fee would be tied to the cost of constructing an affordable unit, and in line of the requirements of Proposition 218. RSG recommends that legal counsel vet the requirements and considerations of such a program.

A maximum affordable housing in-lieu fee reflects the full financial equivalent needed to develop housing units affordable to very low-, low-, and moderate-income households. It reflects the in-lieu fee amounts necessary to fund 100% of the estimated cost or assistance needed to develop the affordable units at an off-site location; that is, the full production cost of the affordable unit.

The City may consider that if a fee is too high, it may deter residential development, thereby raising housing costs and negating its purpose. To avoid this unintended consequence, the City may choose to implement a reduced fee to mitigate the cost impacts to future residential development in the City. Should the City choose to implement a reduced fee, additional funding sources would not necessarily be required to create affordable units. The City could maintain in-lieu fees in a special fund until enough in-lieu fees are collected to develop the units, or it could create income-restricted units without construction, for example by buying income-restricting covenants or purchasing units and selling them to low-income residents for less than market value.

### **Mitigation Measure Option 3: Increase Relocation Rental Assistance**

The Park Owner may offer additional relocation benefits for all residents of the mobile home park, including both owners and tenants.

- Pursuant to Government Code Section 7264(b), displaced households may be entitled to a replacement housing payment in the form of rental assistance, not-to-exceed \$5,250.
- Housing of Last Resort is a program that allows for comparable replacement housing that is within the financial means of the displaced person. Displaced residents may be provided rental assistance for up to 42 months.

It is likely that rental assistance or down payment assistance for the displaced residents would be less than the cost of constructing a new affordable unit.

### **Mitigation Measure Option 4: Payment of Differential Rental Assistance in Local Market Rate Developments in the Pipeline**

The Park Owner may partner with the City and private housing developers to secure housing in some of the 1,804 market rate apartment units currently in the development pipeline.

The City may wish to enter into agreements with the market rate housing developers to set aside a portion of the units for the displaced residents. While the residents would be charged market rent, the City may create a rental assistance subsidy fund for the displaced residents. The Park Owner will contribute to the fund to provide additional rental assistance to the displaced residents to cover the gap between the market rate rent and affordable rent, or a portion thereof. The displaced residents will be offered first right of tenancy in the newly constructed apartments located in the City of Carson.

**Mitigation Measure Option 5: Waiting List Priority on City's Affordable Housing Projects**

There are 685 affordable housing units in nine developments in the City of Carson. The Park Owner would partner with the City and the property managers for each of these developments so that the displaced residents would receive priority preference for available units on the existing waiting lists. This option would also apply to those affordable units currently in the development pipeline.

Through a multi-pronged set of mitigation measures, the Owner and the City of Carson can mitigate the contribution to the shortage of affordable housing with the closure of Rancho Dominguez Mobile Home Park. The Park Owner and the City should be cognizant of the environmental concerns and high pollution levels on the site and how they may affect current and future residents. RSG recommends exercising extreme caution when evaluating future mobile home park closures, particularly those closures that do not mitigate the contribution affordable housing shortage by its future use.