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Re: My Appraisal of 57 Mobile/Manufactured Homes in Rancho Dominguez Mobile Estates

As you requested, I am responding to comments made about my appraisal in an appeal of Resolution No. 21-2708 by Ana A. Zuniga for Leopoldo Guzman. The appeal is dated May 11, 2021.

In the first section of the appeal the claim is made that my appraisal incorrectly values the mobile homes by assuming that there is no on-site highest and best use of the homes and that the park is an illegal use and cannot continue. This, they claim, is in violation of AB-2782 that “requires mobile home appraisals to be based on the current in-place location of the mobile home and shall assume the continuation of the mobile home park.” I would agree with this reasoning in most cases where a park owner is seeking to close a park to change the use of the property and the existing park is a conforming and legal use. However, in this case Rancho Dominguez was declared to be a non-conforming use as far back as 1977 when a 35-year amortization period was granted and the park became “legal nonconforming.” That status expired on November 2, 2012. This is an exceptional circumstance that is not specifically covered by the language in AB-2782. The assumption that the park will continue makes perfect sense for conforming parks that have a legal use. However, to assume for valuation purposes that Rancho Dominguez will continue would disregard what everyone, including the market for prospective purchasers, has known about the future of the park for the past 44 years. I do not believe that such an assumption is required by AB-2782. When the City’s amendment to the zoning ordinance rendered the park to be nonconforming in 1977, that gave the residents and the park owner 35 years of use to amortize their investments, plus they have received another 9 years of use since 2012 before the park owner has processed the park closure. Consequently, I do not believe that I have incorrectly valued the homes in the park.

Also in the first section of the Appeal it is claimed that my presumption of park closure contradicts the City’s own position that the park owner could work with the City toward land use or zoning changes that would allow continuation of the park. I am not aware of any such application for a change in zoning and the results of any such action, of course, would be speculative. My valuations are based on the existing status of the park, and it would not be appropriate to base them on such speculation.

In the second section the claim is made that I lack the experience in the pricing and value of mobile homes and it is also claimed that I lack the “occupational licenses” issued by HCD. First of all, Occupational Licensing regulations apply to “manufacturers, distributors, dealers, and salespersons who manufacture and sell or lease new or used MH-units or CMs within California.” They do not apply to appraisers who value mobile homes. AB-2782 states that “in-place market value shall be determined by a state-certified appraiser with experience establishing the value of mobilehomes.” As far as experience and credentials, I am State Certified by the State of California and I have an MAI designation from the Appraisal Institute. I have been appraising real estate for over 50 years, and mobile homes and mobile home parks for a majority of those years. It has been a specialty in my appraisal practice. I also attended a seminar titled Appraising Manufactured Housing in 2004 that was sponsored by the Appraisal Institute. I believe I am qualified to express opinions of the value of mobile homes.

The claim is made that I used improper assumptions in the Sales Comparison Approach. Following is a direct quote from the Appeal. “The appraisal was conducted using a ‘Sales Comparison Approach’ that incorrectly concluded that sales from mobile home parks that are not conforming uses cannot be utilized.” I believe the sentence was intended to say “from mobile home parks that are conforming uses.” I clearly stated that sales of homes from conforming parks that were not subject to closure were not used in my analyses.

The Appeal makes the claim that since 2013 residents were prohibited by the park owner from selling their mobile homes to anyone other than the park owner and that any conclusion based on such data is unreliable and improper. I have not heard of such a prohibition, but I did look back at the sales to both residents and the park owner. Between January 2009 and April 2020 there have been a total of 32 sales in the park. Eleven were purchased by residents and 21 by the park. Overall, there was a broad range in the 32 sales from \$1,500 to \$63,194. The one sale at \$63,194 in 2009 appears to be an outlier as the next highest sales were at \$30,000. The eleven resident sales ranged from \$1,500 to \$63,194 with an average of \$22,972. The twenty one park purchased ranged from \$5,500 to \$30,000 with an average of \$18,505. If you eliminate the “outlier” from the resident purchases the average of the other 10 sales is \$18,950 which is very close to the average of the park purchases. I believe it was appropriate for me to use both groups of home sales in my analyses.

The Appeal also states that I should have expanded my geographical search to find other mobile home parks that were acceptable for comparison. I did in fact do that, and discussed the experience of El Morro Village in Laguna Beach in the report. The experience in that park did in fact show the dramatic negative impact park closure can have on home values. However, because of its waterfront location it was not useful for direct comparison.

Respectfully submitted,



James Brabant, MAI
State Certification No. AG002100