



# CITY OF CARSON

## Legislation Text

File #: 2021-514, Version: 1

### Report to Mayor and City Council

Thursday, July 15, 2021  
Special Orders of the Day

#### **SUBJECT:**

**CONTINUED PUBLIC HEARING ON APPEAL OF CARSON PLANNING COMMISSION  
DECISION ADOPTING PLANNING COMMISSION RESOLUTION NO. 21-2708,  
CONDITIONALLY APPROVING RELOCATION IMPACT REPORT NO. 04-19 FOR  
MITIGATION OF RELOCATION IMPACTS OF CLOSURE OF RANCHO DOMINGUEZ  
MOBILE ESTATES**

#### **I. SUMMARY**

This matter is an appeal by Mayor Pro Tem Jim Dear from a decision of the Planning Commission dated April 27, 2021, conditionally approving RIR No. 04-19 (the “RIR”) related to the determination of relocation impact mitigation measures required to be taken by Carter-Spencer Enterprises, LLC (“Park Owner”) in connection with closure of the Rancho Dominguez Mobile Estates mobilehome park, an 81-space mobilehome park located at 425-435 E. Gardena Blvd (“Park”). This appeal relates solely to the determination of what relocation impact mitigation benefits the Park owner must pay to Park residents in closing the Park.

The City Council opened the public hearing on June 1, 2021, heard extensive public testimony, and voted unanimously to continue the public hearing to June 16, 2021, with direction to staff to obtain additional information and propose a modified relocation benefit plan that was more specifically tailored to mitigating the adverse impacts of the closure on all Park residents’ ability to find replacement housing, based on assessment of their specific needs and circumstances. Most notably, City Council asked staff to consider and account for any outstanding coach mortgage, to ensure that no resident experiences negative impacts to his or her benefits resulting from such a debt that would operate to preclude him or her from being able to obtain replacement housing. The City Council also expressed interest in requiring an additional year beyond what the Planning Commission required, for a total of two years, before the Park can close.

On June 16, 2021, the continued public hearing resumed. After hearing further public testimony and considering the additional information and modified agenda materials provided by staff, the City Council voted unanimously to continue the public hearing to July 15, 2021, with direction to staff to:

(1) Revise the proposed resolution and conditions to add another year before the earliest possible date of park closure, thereby extending the total time period to three years from the date of approval of the proposed resolution before any resident may be compelled to vacate their space due to Park closure;

(2) Revise the proposed resolution and conditions to add a new condition requiring that the Park Owner grant current eligible resident homeowners a right of first refusal in the new development on the property on which the Park is currently located in the event the Park Owner (or its successor) develops the property with housing after Park closure; and

(3) Explore and identify any other measures legally available to the extent necessary to ensure that no Park resident becomes homeless as a result of the Park closure.

The revisions described in items (1) and (2), above, are embodied in the proposed resolution and conditions attached hereto as Exhibits 3 - 3.A and are discussed in further detail below in Sections IV.4.A and IV.4.C, respectively. The information obtained by staff in response to item (3), above, is discussed in Section IV.4.B, below.

The City Council also directed staff to (i) make the relevant agenda materials available well in advance of the July 15 continued hearing date (i.e., beyond the 24 hours required for special meetings per the Brown Act), and (ii) provide a courtesy notice of the continued hearing date to the residents. Staff has implemented these directives as well, including as detailed in Section IV.5, below.

The City Council's deadline to render a decision on the appeal is July 16, 2021, pursuant to Carson Municipal Code (CMC) Section 9128.21(F).

## **II. RECOMMENDATION**

1. TAKE any remaining public testimony.

2. CLOSE the public hearing.
3. ADOPT Resolution No. 21-070, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, MODIFYING, PURSUANT TO CARSON MUNICIPAL CODE SECTION 9173.4(C)(2)(b), THE DECISION OF THE CARSON PLANNING COMMISSION ADOPTING PLANNING COMMISSION RESOLUTION NO. 21-2708 CONDITIONALLY APPROVING RELOCATION IMPACT REPORT NO. 04-19 FOR MITIGATION OF RELOCATION IMPACTS OF CLOSURE OF RANCHO DOMINGUEZ MOBILE ESTATES, BY IMPOSING ADDITIONAL RELOCATION IMPACT MITIGATION MEASURES, ALTERING THE PROOF OF PURCHASE PRICE REQUIREMENTS, AND MAKING OTHER SPECIFIED MINOR MODIFICATIONS, AND AFFIRMING THE DECISION IN ALL OTHER RESPECTS (Exhibit No. 3 - 3A).

### III. ALTERNATIVES

1. TAKE any other action the City Council deems appropriate, subject to the requirements of applicable law.

### IV. BACKGROUND

#### 1. Planning Commission Decision

The Planning Commission decision is detailed at pp. 10-11 of the June 1, 2021 City Council staff report and the Planning Commission resolution attached as exhibits 1-2 thereto (Exhibit No.1.A).

#### 2. June 1, 2021 Initial City Council Hearing

On June 1, 2021, the City Council opened the public hearing and heard extensive public comments. After doing so, the City Council decided to continue the public hearing to June 16, 2021, and provided direction to staff as summarized in the June 16, 2021 City Council staff report (Exhibit No. 1).

#### 3. June 16, 2021 Continued City Council Hearing

On June 16, 2021, the City Council resumed the public hearing and heard further public comment. After discussion, the City Council voted to continue the public hearing with direction to staff as described in the Summary section of this report.

#### 4. Staff Implementation of City Council Direction from June 16, 2021

##### A. Timing of Park Closure

Under the proposed relocation benefit plan, no Park resident would be forced to vacate the Park due to Park closure for a minimum of three years after adoption of the proposed resolution (the “earliest possible date of park closure”). This represents an increase of one

additional year as compared to the resolution that was proposed to the City Council on June 16, and two years as compared to the resolution that was approved by the Planning Commission.

This change represents a further measure to mitigate the adverse impacts of the closure on residents' ability to find and relocate to alternative housing and is reflected in Condition No. 2 of the proposed Amended Conditions of RIR No. 04-19 (Exhibit No. 3 - 3.A). The City Council approved adding this benefit to the proposed resolution during the June 16 hearing because it will allow the residents additional time to prepare and make arrangements to find replacement housing based on their relocation benefits before they are required to vacate the Park.

Commencing from earliest possible date of park closure, the Park Owner would have a one-year window in which to close the Park. The Park Owner would be authorized to issue the required six-month notices of termination of tenancy of Park spaces to residents commencing six months prior to the earliest possible date of park closure.

Notwithstanding the three-year time period, the proposed resolution provides that the relocation specialist shall be available to assist Eligible Resident Owners under both Options A and B commencing immediately upon resolution adoption.

**B. Identification of Additional Measures to Ensure Prevention of Homelessness**

In addition to the extra time, Eligible Resident Owners would also receive relocation benefits in the form of their Appraised Value Payment or Purchase Price Payment (whichever is higher, subject to Sufficient Documented Proof for entitlement to a claimed Purchase Price Payment), together with 2-4 years' worth of rent differential subsidy, depending on the amount of Appraised Value Payment or Purchase Price Payment received, under the proposed tiered approach.

Accordingly, staff anticipates that, assuming the relocation benefit payments made pursuant to the proposed resolution and conditions are used responsibly, no resident who rents replacement housing after Park closure would experience hardship in the form of an inability to afford the replacement housing rent until at least four (4) years after they move into the replacement housing. Accordingly, staff has sought to identify affordable housing resources or other relief measures that staff anticipates will be available, or that could be made available, to qualified Park residents around that time, as follows:

- **Housing Authority Funding for Homeless Prevention and Rapid Rehousing.** Health & Safety Code Section 34176.1(a)(2) allows cities to use up to \$250,000 of their Housing Authority (former RDA) funds per fiscal year for homeless prevention and rapid rehousing services for individuals and families who are homeless or would be homeless unless they received this assistance. The funds can be used to provide temporary housing or other related services/uses allowed by State Law for Carson residents and prevent them from becoming homeless due to circumstances beyond their control. These funds can only be used for Carson residents upon submission of an application

demonstrating satisfaction of applicable program guidelines, including the following requirements:

- Received an eviction notice from a bank, lending institution, or court due to a third party not making their mortgage payments;
- Their personal assets or income is not enough to secure housing comparable to their current housing and puts them at risk of becoming homeless;
- The maximum amount of assistance each unit will receive shall not exceed \$25,000 unless modified by the Housing Authority;
- The applicant has less than 60 days to their eviction date with no alternative housing identified and paid for or the ability to pay for;
- Payments will be made to the temporary housing provider or other services allowed by State Law once an invoice has been submitted to the City. Similarly, in lieu of an invoice, the City Manager/Executive Director can approve advance payment if deemed necessary.

If any of the Park residents find themselves in a situation where they have exhausted their relocation benefits after 4+ years in their replacement housing and can prove they are facing eviction as a result, and if/to the extent that funds are available for the relevant year, they may be eligible to apply for and receive relief funding pursuant to this program. The City would need to amend the program guidelines to facilitate this purpose, subject to the requirements of applicable law.

- **Enhanced Infrastructure Financing District Affordable Housing Set-Aside.** The City is in the process of considering formation of an Enhanced Infrastructure Financing District, called the City of Carson Enhanced Infrastructure Financing District (EIFD). A resolution of intent to establish the EIFD was adopted on March 16, 2021. If and when formed, the EIFD would commence generating property tax increment revenue. The EIFD, as a condition of County participation, would prioritize and implement a 20% affordable housing set-aside, based on all funds generated, for the acquisition, construction, or rehabilitation of housing within City for persons of very low, low, and moderate income, for rent or purchase. This funding would serve to incentivize developers to include affordable housing within the residential development projects they construct in the City, which would have the anticipated effect of increasing the amount of affordable housing constructed in the City over the coming years. Although the formation of the EIFD is not certain, and although upon formation it would likely take several years for the EIFD to generate meaningful affordable housing set-aside funding and for that funding to be used for construction of new affordable housing units in the City, the EIFD affordable housing set-aside is nonetheless worth noting as a potential driving force behind the development of additional affordable housing resources in the

City in the years to come, and such resources would become available to qualified Park residents and other residents of the City as they are constructed.

- **Below Market Rate Ordinance.** The City may wish to consider adoption of a Below Market Rate (BMR) housing ordinance. This type of ordinance generally establishes a requirement that developers who construct projects having the effect of increasing the need or demand for housing in the city must pay a fee to the city, which fees would be collected in a city fund and made available for use to subsidize the construction of new affordable housing units in the city. By adopting such an ordinance, the City could use the high volume of development activity in the City as a means of generating funds to help ensure the creation of new affordable housing in the City to meet community needs (and help satisfy the City's RHNA obligations).
- **Affordable Housing Wait Lists.** Although there are currently long wait lists to reserve spaces in affordable housing developments around Southern California, the proposed relocation benefit plan is anticipated to give Park residents the means to live for at least four years in replacement housing (from the time they move into such housing from the Park, which would be 3-4 years from adoption of the resolution), allowing them the ability to wait at least 7-8 years before they may have a need for the affordable housing, as discussed above. Accordingly, qualified residents may wish to sign up now to commence the waiting period for a given affordable housing development. This can be done via the services of the relocation specialist as provided for in the proposed conditions, which have been amended to expressly include this as one of the functions of the relocation specialist (Condition No. 10(d)).
- **Anticipated Future Affordable Housing Resources and Relief Funds.** The State legislature is currently working actively to create and pass legislation to alleviate the statewide housing crisis, including by facilitating the development and construction of affordable housing and housing generally (as needed to augment the supply to meet the demand), as well as to provide other means of relief to help people find and remain in housing that they can afford. Staff anticipates that new affordable housing resources and means of relief will become available as the state navigates its housing crisis. Staff and the relocation specialist will continue to monitor the developments in state law in this regard and will keep Park residents notified of any and all new resources that become available and help qualified residents identify how they can obtain the benefit of such resources, even long after the residents have vacated the Park and obtained their initial replacement housing.

C. Right of First Refusal

As a further measure to mitigate the adverse impacts of the closure on residents' ability to find and relocate to alternative housing, the proposed resolution includes a new condition,

set forth in Condition No. 22 of the Amended Conditions of RIR No. 04-19 attached to the proposed resolution, providing that if the Park Owner develops the subject property with housing after closing the Park, Eligible Resident Owners shall be given a right of first refusal in the future housing development. (Exhibit No. 3 - 3.A).

Although there is no guarantee that the Park Owner will choose or be allowed to develop the property with new housing after Park closure and the Park Owner cannot be required to do so, this condition ensures that if the Park Owner (or any successor) does so, the current eligible Park resident owners will be offered the opportunity to reserve a unit in the new residential development prior to the housing units being offered to others or made available on the open market.

The Park Owner indicated in the RIR that it anticipates developing the subject property with workforce housing in the form of 174 1-, 2-, and 3-bedroom apartments (although it has not yet actually submitted any development project applications). If and when the Park Owner's anticipated project or any other residential development project is approved and constructed on the property, this new Condition no. 22 offers current eligible Park resident-homeowners a priority right of access to return to the property and reside in the new development, subject to payment of applicable rents.

#### *D. Proposed Resolution and Amended Conditions*

The proposed modifications to the conditions approved by the Planning Commission are shown in redline in Exhibit "A" to the proposed resolution and are summarized in the proposed resolution (Exh. 3 - 3.A). Aside from these modifications, the Planning Commission decision would be affirmed.

#### 5. Appeal Hearing Notice.

Notice of the appeal hearing was sent via certified mail to the Park residents and any nonresident owners of Park mobile homes on May 13, 2021, in accordance with CMC §9128.21(D) & (F). Such notices were all confirmed received by May 15, 2021. The notice was also posted at the Park on May 17, 2021. Notice was provided to the applicant in accordance with CMC §9128.21(D) & (F).

On June 1, 2021, the public hearing was opened, and after significant public testimony was heard, the hearing was continued to June 16, 2021 at 5:00 pm, to be conducted at the same location and in the same manner as on June 1, 2021. Accordingly, no re-noticing or further noticing was required for the June 16 continued hearing date. Nonetheless, the City issued courtesy notices of the June 16 continued hearing date in both English and Spanish via hand delivery to the residents and coach owners on June 9, 2021.

On June 16, 2021, the continued public hearing was resumed, and after further public testimony was heard, the hearing was continued to July 15, 2021 at 5:00 pm, to be conducted at the same location and in the same manner as on the two prior Council hearing dates. Accordingly, no re-noticing or further noticing was required for the July 15

continued hearing date. Nonetheless, the City issued courtesy notices of the July 15 continued hearing date with a summary of the proposed benefit options in both English and Spanish via hand delivery to the residents and coach owners on July 1, 2021.

## **V. FISCAL IMPACT**

None.

## **VI. EXHIBITS**

1. June 16, 2021 City Council Staff Report, including attachments: (pgs.9-284)
  - A. June 1, 2021 CC Staff Report and Exhibits (A-M)
  - B. Public Comment Letters (received for the June 16 continued hearing date)
  - C. Proposed Resolution No. 21-070 and Amended Conditions of RIR No. 04-19 (as presented for June 16 continued hearing date)
2. Public Comment Letters (received for the July 15 continued hearing date) (pg.285)
3. Proposed Resolution No. 21-070 (English and Spanish) (pgs. 286-324)
  - A. Amended Conditions of RIR No. 04-19 (English and Spanish)

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