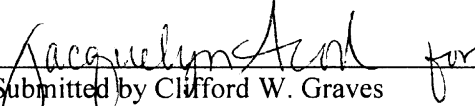


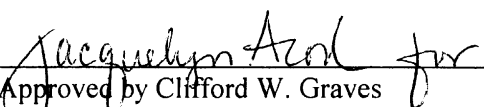


City of Carson Report to Mayor and City Council

June 7, 2011
Special Orders of the Day

SUBJECT: PUBLIC HEARING TO RECONSIDER THE CITY COUNCIL'S DENIAL OF TENTATIVE PARCEL MAP NO. 27014 PROVIDING FOR CONVERSION TO RESIDENT OWNERSHIP OF THE CARSON HARBOR VILLAGE MOBILEHOME PARK LOCATED AT 17701 AVALON BOULEVARD (APN NO. 7339-001-005)


Submitted by Clifford W. Graves
Economic Development General Manager


Approved by Clifford W. Graves
Interim City Manager

I. SUMMARY

On September 4, 2007, the City Council adopted Resolution No. 07-106, denying Tentative Parcel Map (TPM) No. 27014 for the conversion of Carson Harbor Village Mobilehome Park (CHV) to nominal resident ownership ("Application") (Exhibit No. 10).

The owner of CHV ("Applicant") sued the city on November 30, 2007, claiming that the denial of the conversion was illegal. The trial court agreed with the Applicant. The city appealed, and on March 30, 2010, the Court of Appeal reversed the trial court in an unpublished opinion styled, *Carson Harbor Village, Ltd. v. City of Carson*, Second Appellate District Case No. B-211777 ("CHV Opinion", attached as Exhibit No. 1).

The Court of Appeal remanded the Application back to the City Council with directions to conduct a rehearing of the Application. The Court gave specific directions that the Council must follow in the reconsideration hearing (which will be addressed and considered in detail in this report).

On May 23, 2011, the Applicant unilaterally mailed to the residents of the park and submitted to the city a "Supplemented Tenant Impact Report" which includes certain options which the Applicant represents will assist residents should the Application be approved and conversion actually occurs. (Exhibit No. 7.) These options are substantially diminished from the options offered by the Applicant at the City Council hearing in September 4, 2007 (Exhibit No. 11). For example, the Applicant is no longer offering any parkowner financial assistance for the residents to be able to purchase their units.

Reviewing the Application based on the very specific directions provided from the Court of Appeal, together with all of the evidence in the existing record, staff and the Office of the City Attorney are of the opinion that the Applicant has failed to establish the legal prerequisites necessary for approval of the Application. Staff and the City Attorney, therefore, recommend that the Application *again* be denied for each and all of the reasons that will follow.

II. RECOMMENDATION

TAKE the following actions:

1. OPEN the Public Hearing, TAKE public testimony, and CLOSE the Public Hearing; and
2. VACATE Resolution No. 07-106 as ordered by the Court of Appeal in the CHV Opinion; and
3. DENY Tentative Parcel Map (TPM) No. 21014 based upon each of the grounds set forth herein and any additional grounds the Council determines is fair, just, and reasonable, and direct staff to bring back to the next City Council meeting a resolution of denial consistent with the administrative record, the substantial evidence contained therein, and the deliberations of the City Council.

III. ALTERNATIVES

1. A. OPEN the Public Hearing, TAKE public testimony, and CLOSE the Public Hearing; and
B. VACATE Resolution No. 07-106 as ordered by the Court of Appeal in the CHV Opinion; and
C. APPROVE Tentative Parcel Map (TPM) No. 21014 based upon any grounds the Council determines is fair, just, and reasonable and that is consistent with the existing administrative record, and direct staff to bring back to the next City Council meeting a resolution of approval consistent with the administrative record, the substantial evidence contained therein, and the deliberations of the City Council; or
2. CONTINUE the public hearing with the *consent* of the Applicant.

IV. BACKGROUND

The applicant is proposing TPM No. 27014 to allow CHV to be converted from a rental park to a resident-owned park. CHV is a 420-space mobilehome park located on the west side of Avalon Boulevard, south of Albertoni Street and north of Victoria Boulevard.

On June 12, 2007, after a series of public hearings, the Planning Commission voted to deny TPM No. 27014. The Applicant appealed to the City Council, and on September 4, 2007, the City Council voted to affirm the Planning Commission's denial of the conversion.

The Applicant sued the city on November 30, 2007, claiming that the denial of the conversion was illegal. The trial court agreed with the Applicant. The city

appealed, and on March 30, 2010, the Court of Appeal reversed the trial court in an unpublished opinion (“CHV Opinion”, attached as Exhibit No. 1).

The Court of Appeal remanded the Application back to the City Council to conduct a hearing to reconsider the Application consistent with the very specific direction provided by the Court of Appeal as reflected in the CHV Opinion.

On October 26, 2010, the trial court issued a writ of administrative mandamus commanding the City Council to vacate Resolution No. 07-106 (the original resolution of denial), and to reconsider the Application in accordance with the directions from the Court of Appeal (Exhibit No. 10).

The Applicant has agreed to several extensions of time to conduct the reconsideration hearing, but the Applicant will not agree to any date later than June 7, 2011.

V. ANALYSIS

Mobilehome Park Conversions Are Governed, At Least In Part, By Government Code Section 66427.5

Government Code section 66427.5 requires that the Applicant meet certain prerequisites in order for the conversion to be approved, and establishes, at least in part, the City Council’s discretion and authority in considering whether to approve or disapprove conversion applications (Exhibit No. 3). Very specifically, with respect to *avoiding the economic displacement of all non-purchasing residents*, the Applicant must:

- a. offer each existing tenant an option to either purchase his or her condominium or subdivided unit or to continue residency as a tenant;
- b. file a report on the impact of the conversion upon residents of the mobilehome park;
- c. make a copy of the report available to each resident of the mobilehome park at least 15 days prior to the hearing;
- d. obtain a survey of support of residents of the mobilehome park for the proposed conversion;
- e. the survey shall be conducted in accordance with an agreement between the applicant and a resident homeowners' association, it shall be by written ballot, and it shall provide each space with one vote;

Further, the statute directs that the “results of the survey” are “to be considered” by the City Council in its decision at the hearing to “approve, conditionally approve, or disapprove” the conversion.

The City Council's Denial of the Application in September 2007

Staff deemed the CHV conversion Application *prima facie* complete in September 2006. The required "survey of support" the Applicant submitted with its application in 2005 ("2005 Survey") demonstrated support from 11% of the park residents.

The Planning Commission held hearings and voted to deny the conversion. The Applicant appealed to the City Council. While the appeal to the Council was pending, the Applicant offered certain options to park residents, in an effort to garner support for the conversion.

The purported options included upgrades and improvements to the park at the Applicant's expense, discounted prices for mobilehome spaces, and an extended phasing out of rent control for residents who opted to remain renters instead of buying their spaces after conversion ("2007 Executed MOU," which is attached as Exhibit No. 4).

Against the backdrop of the 2007 Executed MOU, a second "survey" was conducted in July 2007 to measure resident support for the Application ***assuming the 2007 Executed MOU would be incorporated into any resolution of approval of the Application*** ("2007 Survey," attached as Exhibit No. 5). This time, of 288 total ballots cast, 187 opposed the Application even with the Executed MOU, or 65% of those residents voting. The remaining 24% of total park residents indicated support for the Application with the Executed MOU provisions incorporated therein.

Thereafter, the Applicant then offered additional enhancements to the Executed MOU, including parkowner purchase financing assistance, as part of an enhanced options package in Settlement Agreement offered for the first time to the City Council at its September 4, 2007 hearing on the Application (Exhibit No. 11). The Settlement Agreement also included city financing for income eligible residents able to qualify for State of California, Mobilehome Park Ownership Program ("MPROP") financing or participation in the First Time Homebuyer Program operated by the city.

On September 4, 2007, the City Council adopted Resolution No. 07-106, denying the CHV conversion for the following reasons:

1. The 2005 Survey was not conducted in accordance with an agreement between the Applicant and a resident homeowners association;
2. The demonstrated level of support in the 2005 Survey (11%) is insufficient to conclude that the conversion is bona fide;
3. The Tenant Impact Report ("TIR") submitted by the Applicant failed to address the conversion's impact on residents caused by the wetlands in the

park, for which purchasing residents would be required to pay the costs of maintenance and upkeep (“Wetlands Information”).

4. The TIR failed to adequately report on the economic displacement of residents caused by the conversion (“Displacement Information”).
5. The conversion was inconsistent with provisions in the city’s General Plan to preserve affordable housing and open space.

The CHV Opinion & Its Holdings

The Applicant sued the city on November 30, 2007, claiming that the denial of the conversion was illegal. The trial court agreed with the Applicant. The city appealed, and on March 30, 2010, the Court of Appeal reversed the trial court in an unpublished opinion (“CHV Opinion,” attached as Exhibit No. 1).

With regard to the 2005 Survey, the Court of Appeal affirmed the City Council’s decision that the 2005 Survey was not conducted in accordance with an agreement between the Applicant and a resident homeowners association (CHV Opinion, p. 10).

However, the Court of Appeal also held that the City Council was required to consider whether the 2007 Survey was statutorily adequate. If it found that survey met the requirements of law, the Council was then directed to consider the results of the 2007 Survey in determining whether the Application is *bona fide* within the requirements of law (CHV Opinion, pp. 12-13).

The Court of Appeal further held that the City Council had the discretion to deny the Application provided that if first determined the Application was not *bona fide* within the requirements of the CHV Opinion (CHV Opinion, p. 15). Most importantly for purposes of this re-hearing, the Court of Appeal defined a *bona fide* conversion as “***one that the park owner expects to in fact produce a change in the estate interest of a significant percentage of the mobilehome lots from tenancy to ownership*** (*Id.* [emphasis added & in original]).”

“An inquiry into the *bona fides* of the conversion must, therefore, focus on the state of mind of the mobile [home] park owner (*Id.*)” The Court of Appeal observed that “[t]he level of tenant support, or lack thereof, may be circumstantial evidence of the presence or absence of *bona fides* ***but it is not dispositive*** (*Id.* at 16-17; emphasis added).”

With regard to the Tenant Impact Report, the Court of Appeal held that the city was not barred from requesting more information after the Application has been deemed complete (CHV Opinion, pp. 20-21). However, the city may only request information to “clarify, amplify, correct, or otherwise supplement the application (*Id.* at p. 21).” It may not request “new or additional” information. (*Id.*) The Court based this holding on sections 65940(a) and 65944(a) of the Permit

Streamlining Act in the Government Code.

Finally, the Court of Appeal held that the city may not disapprove the Application on the ground that it conflicts with the city's General Plan (CHV Opinion, pp. 17-19). The city may only apply Government Code Section 66427.5 when considering the conversion application, and because consistency with the General Plan is not an element of Section 66427.5, the City Council cannot deny the conversion on that ground (*Id.*).

The CHV Court of Appeal's Directions for the Reconsideration Hearing

The Court of Appeal then remanded the Application back to the City Council to conduct a re-hearing of the Application in accordance with the principles of law established in the CHV Opinion. On October 26, 2010, the trial court issued a writ ordering the City Council to vacate Resolution No. 07-106 (the original resolution of denial), and to reconsider the Application in accordance with the directions from the Court of Appeal (Exhibit No. 2).

The Court of Appeal directed the City Council to accomplish the following specific tasks:

Step One – Determine Whether there Has Been a Statutorily Compliant Survey Conducted: “[T]he City Council must determine whether the 2007 survey complies with the statute, without regard to the timing of the submission of the survey (CHV Opinion, p. 21).”

Step Two – Determine Whether the Application Meets the CHV Opinion's Definition of a *Bona Fide* Conversion: “If the City Council finds the survey is adequate, the City Council must consider the survey and may do so in determining whether the conversion is *bona fide* (*Id.*).” A *bona fide* conversion is “*one that the park owner expects to in fact produce a change in the estate interest of a significant percentage of the mobilehome lots from tenancy to ownership* (*Id.* at 15 [emphasis added & in original]).” “The level of tenant support, or lack thereof, may be circumstantial evidence of the presence or absence of bona fides but it is not dispositive (*Id.* at 16-17).” “In analyzing whether the conversion is *bona fide*, the City Council may *not* . . . impose a minimum threshold of tenant support for the conversion (*Id.* at 21; emphasis added).”

However “[T]he City Council may *not* disapprove the application on the ground that it conflicts with the city's general plan (*Id.* at 21; emphasis added).”

Step Three – Determine Whether the Tenant Impact Report Comports With the Requirements of Law: “[T]he City Council must, in the first instance, determine whether “*the*” tenant impact report complies with the requirements for such a report as stated in section 66427.5, subdivision (b), taking into account the City Council's limited ability to require more information under sections 65940, subdivision (a), and 65944, subdivision (a) (*Id.* at 21-22 [emphasis added]).”

“The city shall, in the first instance, determine whether the information it seeks is prohibited ‘new or additional’ information, or information properly sought to ‘clarify, amplify, correct, or otherwise supplement’ the application (*Id.* at p. 21).”

Step Four – Following Council Deliberations Either Approve or Deny the Application: “If the City Council concludes the conversion is *bona fide* **and** the tenant impact report complies with statutory requirements, the **City Council must approve** the application. If the City Council concludes otherwise and disapproves the application, the **city council must specify the grounds for its disapproval** (*Id.* at 22; emphasis added).”

Compliance With the Mandate of the CHV Opinion

First, the City Council must vacate Resolution No. 07-106 and follow the directions from the Court of Appeal in reconsidering the Application. The City Council has no legal discretion in this respect.

Second, the City Council is to consider only whether the *existing* record and Application comply with the law and are suitable, in the Council’s discretion, for approval. The City Council must review “the” application, including determining whether “the” 2007 Survey and “the” Tenant Impact Report comply with the requirements of Section 66427.5.

Accordingly, the City Council is to consider *only* the Application, the survey, and tenant impact report which is already in the record from the September 4, 2007 hearing.

While the Applicant has elected to submit, for instance, a Supplemented Tenant Impact Report, the City Council must follow the directions of the CHV Opinion and, in the opinion of the City Attorney, cannot consider this *new* evidence, or any *new* evidence, at the reconsideration hearing.

What follows is the analysis required to be in compliance with the CHV Opinion’s directives:

Step One – There is No Statutorily Compliant Survey

- a. The 2007 Survey is not a statutorily-compliant survey because it does not measure the level of resident support for the conversion, but rather only measures the level of resident support for the 2007 Executed MOU.
- b. The 2007 Survey is contrary to the plain language and the clear intent of the survey requirements set forth in Section 66427.5. In fact, at the original hearing, testimony was received that this “survey” only measured support for a “settlement agreement” *i.e.*, the 2007 Executed MOU, between the parkowner and the residents.
- c. In the alternative, even if the 2007 Survey is statutorily compliant, it is only compliant provided the Applicant agrees to offer the same 2007 Executed MOU options or further enhancements thereto (in essence the 2007 Executed

MOU is the “base line” against which the survey must be tested). Section 66427.5 (d) (1) requires a survey of support “for the *proposed* conversion (emphasis added).”

- d. The 2007 Survey only measures the level of support for the 2007 Executed MOU. There is no statutorily compliant survey in the existing record that measures resident support for any other proposed conversion.
- e. The Court of Appeal held the 2005 Survey is not statutorily compliant for lack of an HOA agreement).

2. Step Two – The Application Fails to Meet the CHV Opinion’s Definition of Bona Fide Because the Applicant Has Failed to Demonstrated That It “expects to in fact produce a change in the estate interest of a significant percentage of the mobilehome lots from tenancy to ownership.”

- a. The 2005 Survey indicated 11% resident support for the conversion. The 2007 Survey, even if considered, indicates support of 24% of the mobilehome residents in the park if and only if all the options provided in the 2007 Executed MOU are assured. Two “surveys,” while not dispositive standing alone, showing less than 25% resident support for conversion is some circumstantial evidence that the Applicant cannot reasonably “expect to in fact produce a change from tenancy to ownership in a significant percentage” of lots.
- b. According to a survey conducted by the city in 2005, approximately 60% of Carson Harbor Village residents are very low- or low-income as defined by the United State Department of Housing and Urban Development. Such a large portion of the park being very low or low income provides further evidence that the Applicant cannot reasonably “expect to in fact produce a change from tenancy to ownership in a significant percentage” of lots. Specifically given that these residents have no incentive to purchase their lots.
- c. The “options” in the 2007 Executed MOU, purportedly offered to facilitate sales of spaces, do not provide evidence of *bona fides*. For instance, the early purchase discounts are stated in terms of percentages. However, until the actual purchase price for spaces is known, it is impossible for the City Council to know whether an early purchase discount will incentivize space purchases. In sales prices are prohibitively high, early purchase discounts will prove illusory, because debt service will be prohibitive even with such discounts.
- d. The July 25, 2007, letter from the President of the Carson Harbor Homeowner’s Association clearly illustrated potential variables in the potential purchase prices and the resultant discounts (Exhibit No. 5). If the sales prices are prohibitively expensive, an early purchase discount could prove illusory. This “incentive” therefore does not support any legitimate expectation by the Applicant to transfer lots. Other “incentives” are similarly illusory.

- e. The tenant impact report does not adequately report on expected lot purchase prices, maintenance costs of the wetlands, maintenance costs of the common areas, the estimate percentage devaluation of existing coaches in the park due to the vacancy decontrol caused by the conversion, and other costs and risks borne by the residents were they to choose to purchase their lots. Without such necessary information, residents are uninformed of the risks of purchasing, and therefore less likely to purchase. This is evidence that the Applicant cannot expect to transfer a significant percentage of lots.
- f. Between the time of the 2007 Survey and the September 2007 City Council hearing, the Applicant offered additional options in a 2007 Settlement Agreement over and above the options included in the 2007 Executed MOU attached to the 2007 Survey (Exhibit No. 11). This supports a finding that the Applicant believed such additional options were necessary in order to expect to successfully transfer a significant percentage of lots.
- g. However, the Applicant has now withdrawn the additional 2007 Settlement Agreement options, and reverted to solely the options offered in the 2007 Executed MOU, which the Applicant effectively acknowledged was necessary to garner the needed resident support that would have “*in fact produce a change in the estate interest of a significant percentage of the mobilehome lots from tenancy to ownership.*” Standing alone, the withdrawal of the 2007 Settlement Agreement options is evidence that the Application is not *bona fide* within the meaning of the CHV Opinion.
- h. At the original Council meeting evidence was presented about this parkowner’s excessive rent increase requests and litigation over virtually every decision of the city’s rent review board. This existing evidence already in the administrative record is further support for the Council’s determination that the Application is not *bona fide* within the meaning of the CHV Opinion, and is being undertaken as a tool to escape from Carson’s rent control ordinance about which this Applicant is a vexatious litigant.

3. Step Three – The Tenant Impact Report is Legally Inadequate

- a. The Tenant Impact Report (TIR, Exhibit No. 5) fails to comply with the plain language of Section 66427.5(b). The TIR states, “The purpose of this [TIR] is to explain *the protections* afforded to those Residents that elect *not* to purchase a condominium interest.” That is only one part of what the statute requires. Section 66427.5(b) specifies that “[t]he subdivider shall file a report *on the impact* of the conversion *upon residents* of the mobilehome park to be converted to resident owned subdivided interest.” It does not ask merely for a report on the *protections* afforded to *non-purchasing residents* only. The TIR is deficient for this reason alone.
- b. The Wetlands Information and Displacement Information that the City Council found was missing from the TIR is information properly sought to “clarify,

amplify, correct, or otherwise supplement” the Application, and not prohibited “new or additional” information. This is because the Application already contains cursory information submitted by the Applicant regarding the wetlands and displacement of residents.

- c. The Wetlands Information and Displacement Information sought by the City Council at the original hearing will merely clarify, amplify, and supplement that existing information. In litigation, CHV argued that the city did not have the authority to require disclosure of the Wetlands Information because the wetland is regulated by the California Department of Fish & Game.
- d. Even the trial court in CHV correctly rejected this argument and held that the city is entitled to require this information in the TIR because it is relevant to the impact of the conversion on purchasing residents. The trial court held that the Wetlands and Displacement Information should have been included in the TIR, analogizing that report to an Environmental Impact Report.
- e. The trial Court however erroneously found that the city could not require this information at the hearing. However, the CHV Opinion clearly states that the city could require the information if it is to “clarify, amplify, correct or otherwise supplement” the TIR, which is exactly what the City Council was trying to do.
- f. Therefore, the TIR must again be found deficient for failure to include:
 - i. The Wetlands Information: (1) the maintenance costs of the wetlands, and (2) the liability risks and remediation costs that will be borne by the resident owners from potential contamination in the wetlands;
 - ii. The Displacement Information: (1) the availability of adequate replacement space in nearby comparable mobilehome parks, (2) the impact of rent increases on the continued financial viability of non-low-income non-purchasing residents, and (3) the likely increase in rental rates on non-low-income non-purchasing residents and whether such increases could or will result in displacement.
- g. The TIR further fails to include other information that will “clarify, amplify, correct, or otherwise supplement” the information already in the Application regarding displacement. The TIR fails to disclose:
 - i. A discussion of the estimated percentage devaluation of existing coaches in the park, due to the vacancy decontrol caused by the conversion;
 - ii. The amounts of common area maintenance costs for which the resident HOA will be responsible after the conversion;
 - iii. A statement of any inadequate, substandard, or negligently or poorly maintained infrastructure in the park which may lead to liability for

injury or property damage;

- iv. Illustrative examples of the phased rent increases that will occur for low- and very low-income non-purchasing residents under Government Code § 66427.5(f)(1) and (f)(2).
- h. Even if the City Council could consider the Supplemental TIR submitted by the Applicant during this reconsideration hearing, which it cannot, the same is also legally inadequate. The Supplemental TIR does not provide estimate percentage devaluation of coaches, estimated HOA dues and common area liability risks, a statement of any inadequate infrastructure, or the availability of adequate replacement space in nearby parks.
- i. The Supplemental TIR's discussion of the wetlands forces residents to guess or perform independent research to determine the maintenance costs of the wetlands and potential exposure to liability which is not acceptable to staff and should be found to be inadequate by the Council as the residents will not have the resources to conduct this kind of investigation and it would have been rather easy for the parkowner to simply disclose this information but he refuses to do so.

Step Four – Staff & the City Attorney Recommend Denial of the Application Based on the CHV Opinion.

Based on the specific directions from the CHV Opinion, the Application, and all of the evidence in the existing record, fails to establish the legal prerequisites necessary for approval of the same by the City Council for each and all of the reasons set forth in the staff report and the existing administrative record.

Developments in the Law After the CHV Opinion Was Decided On the Survey of Support Issue – The City Council May Deny the Application Based On Lack Of Resident Support, Standing Alone.

Although the city is conducting an analysis under the CHV Opinion, it is critical that the City Council also analyze the parkowner's application under the recent published opinion of *Colony Cove Properties, LLC v. City of Carson* (August 31, 2010) 187 Cal. App. 4th 1487, 1505-1506 out of the same Appellate district as the CHV Opinion on the issue of survey of support.

After nearly a decade of litigation up and down the State over the extent of local authority to regulate conversions based on the Legislature's 2002 addition of the "survey of support" language, the very recent, first and only, published decision of *Colony Cove* has confirmed that the "contents of the survey, as opposed to its mere existence, are relevant to the approval process (*Id.*)."

Colony Cove has special relevance here because not only does it involve the same Appellate Court, it also involves the same parkowner, the same lower Court, and the attorneys for the parkowner and the city in that case are the same attorneys representing the Parkowner and the City in this case.

In *Colony Cove*, the parkowner was successful in persuading the trial court that the city of Carson had a ministerial duty to approve the conversion under Section 66427.5 without considering the results of the resident survey – i.e. that the city had no discretion with respect to the survey results. (*Colony Cove*, 187 Cal. App. 4th at 1491, 1495.) However, the Court of Appeal rejected that position. The Court of Appeal stated:

“Colony Cove urges that we follow the example of *Sequoia Park* by holding that the state fully occupies the area of mobilehome park conversion and that local regulation is wholly preempted. That construction would, as the trial court ruled, preclude the city from considering the contents of the survey of support during the subdivision map hearing process and limit it to purely ministerial duties—determining whether the survey had been prepared and filed in accordance with section 66427.5. The problem with this approach is that it fails to satisfactorily reconcile the language of the 2002 amendments with the stated intent of the Legislature. We instead begin our analysis of the ordinance’s validity with the language of the statute itself and, in particular, the 2002 amendments.

When the Legislature amended former section 66427.5 in 2002, it did not change the language now contained in subdivision (e), which continues to state that ‘[t]he scope of the [subdivision map] hearing shall be limited to the issue of compliance with this section.’ However, the phrase ‘limited to the issue of compliance with this section’ must be interpreted in light of the new language of the preceding subdivision (d). That subdivision requires applicants to obtain a survey of support of the residents of the mobilehome park, conducted in accordance with specific procedures, and to submit ‘[t]he results’ to the entity or agency ‘authorized by local ordinance to approve, conditionally approve, or disapprove the [subdivision] map.’ ***This language alone suggests that the contents of the survey, as opposed to its mere existence, are relevant to the approval process.*** By thereafter specifically stating that the results are ‘to be considered as part of the subdivision map hearing prescribed by subdivision (e),’ the Legislature made that intention explicit. Construing the statute to eliminate the power of local entities and agencies to consider the results of the survey when processing a conversion application would consign the ‘to be considered’ language of subdivision (d)(5) to surplusage.”

(*Id.* at 1505-1506 [emphasis added]).

Under the *Colony Cove* opinion, the City Attorney advises the City Council that, under the current state of the law, the Council cannot ignore the result of the survey of support. In fact, the city has a legal obligation to consider the results of the survey as part of this hearing. At least two trial courts have already followed

Colony Cove.

One Court upheld a conversion denial for lack of resident support. As the court stated at oral argument, “I believe *Colony Cove Properties* ... is the appropriate law in this area and I have cited it.” “The survey verified that the residents overwhelmingly opposed the conversion and the county was exercising its appropriate discretion in denying this application (See, Transcript of Proceedings in *Paul Goldstone v. County of Santa Cruz, et al., Santa Cruz County*, Case No. CV 164458, p. 6, Exhibit No. 6).”

In the other case, *Monarch County Mobilehome Owners Association v. City of Goleta*, Case No. 1337356 (Exhibit No. 7), the city had granted a conversion although the survey of support result indicated that the residents did not support the conversion and the form was not in agreement with a the homeowners association. The trial Court ruled against the city and found that the city had an obligation under *Colony Cove* to require a Section 66427.5 compliant survey because:

“The survey results are important because they might indicate to the City that the proposed project is a sham. A tenant survey is a relevant and material piece of information for the City to consider, as its oversight role is not merely ministerial in nature. It must also account for the health, welfare and safety of its citizens. Preventing a sham conversion, one that lacks resident support, is within the realm of the City’s duties. In other words, the City is more than a rubber stamp and must concern itself with such details (See *Colony Cove Properties LLC v. City of Carson* {2010} 187 Cal.App.4th 1487)

(*Id.* at p. 2).

Here, two surveys were conducted: 1) the 2005 Survey and 2) the 2007 “Survey”. As discussed above, the City Council shall not consider the 2005 Survey because the CHV Opinion finds that it was not conducted in “agreement” with a residents’ homeowners association.

The CHV Opinion instructs the city to consider the 2007 “survey” in determining whether the conversion is *bona fide*. As discussed above, it is the legal opinion of the City Attorney that the 2007 “Survey” is not a survey of support as contemplated by Government Code Section 66427.5 and was merely conducted to gauge support of the residents for the 2007 Executed MOU and not the conversion; hence, it is not, because it cannot be, a Section 66427.5 compliant survey.

However, even if the City Council were to reject the City Attorney’s opinion, and consider the 2007 “survey,” the results of that “survey” demonstrate that only 24% of residents supported the conversion and that is they only supported the conversion with the “sweetened” 2007 Executed MOU. Hence, under *Colony*

Cove, in addition to all the other reasons and factors discussed in this report, it is staff's recommendation that the Application must be denied based on lack of resident support.

Alternative & Additional Grounds for Denial Separate & Independent from the Grounds Based on the CHV Opinion.

The CHV Opinion in its disposition clarifies that the City Council may not disapprove the application on the ground that it conflicts with the city's general plan. However, the *Colony Cove* opinion in distinguishing itself from the *Sequoia Park* opinion and the *Colony Cove* trial Court's opinion found that in considering conversion applications under Government Code Section 66427.5, not all local regulation is preempted (*Colony Cove*, 187 Cal.App.4th 1487, at 1497).

Furthermore, in the opinion and decision of the Court of Appeal in *Pacific Palisades v. City of Los Angeles*, which the Supreme Court is currently reviewing, held that Government Code Section 66427.5 does *not* supersede other state statutes, particularly state statutes that require the preservation of low-and moderate-income housing on a long-term basis (in that case, The Mello Act and the Costal Act).

In that case, the city of Los Angeles had requested the parkowner to comply with the Mello Act to provide replacement affordable housing and to obtain the proper coastal permits under the Coastal Commission Act. The same panel that decided the *Colony Cove* case concluded that "despite the limiting language in section 66427.5, the Mello Act and Coastal Act apply to mobilehome park conversions within the coastal zone, and [a city] must ensure compliance with those acts in addition to compliance with section 66427.5."

The Court of Appeal found that: "Section 66427.5 is primarily directed to the protection of mobilehome park residents in the event of a conversion of the park to resident ownership" and the limiting language of subsection (e) limiting the scope of the hearing to compliance with § 66427.5 only means that with respect to mitigation of economic impacts on non-purchasing residents the scope of the hearing is limited to § 66427.5; on all other issues, if another state statute governs, the City can consider that as part of the hearing.

It also held that the low-and moderate-income phase-out rent protections of 66427.5 did nothing to preserve low-and moderate-income housing in the long run since it determined that they were only temporary protections; that they only protected the park's current residents and that, since they ended when the park's current residents moved out, they did not preserve low-and moderate-income housing units in the long run. It, therefore, held that the Mello Act's low-income housing preservation mandates were not either superseded by Section 66427.5 nor

did Section 66427.5's phase out temporary low-income rent controls fulfill the Mello Act's low-income housing preservation mandates since they were only temporary controls.

In the pending re-hearing, the City Attorney is not recommending relying on either the *Colony Cove* or *Pacific Palisades* decisions upon which to base any denial of this Application base upon general plan inconsistency or lack of compliance with other state statutes.

However, the City Attorney does advise that the City Council consider directing staff to include in any resolution of denial such contingent finding(s) that, provided the Supreme Court upholds the *Pacific Palisades* decision or rationale on the preemption issues discussed above, the City Council would have denied the Application on the further grounds of a failure to comply with Government Code Sections 66473.5 and 66474(a), which mandates that a city cannot approve a tentative map application for a proposed subdivision unless it finds that it is consistent with the city's general plan, and Government Code Section 65583, which mandates that a city's general plan contain quantified objectives and policies to preserve the city's current affordable housing stock inventory.

Although this park is not located in the coastal zone, the reasoning of *Pacific Palisades* can be applied to this Application because the noted statutory provisions regarding the approval of the tentative maps for subdivisions and the preservation of low income housing apply to parks located outside of the coastal zone.

The significance of the *Pacific Palisades* decision, if upheld by the Supreme Court, is that it clearly opines that Government Code Section 66427.5 does not supersede these other state statutes and that it's low-income phase-out rents do not meet the low-income housing requirements of these other statutes. Added to that holding, other courts have made it clear that tentative map subdivision applications must be determined to be consistent with a local jurisdiction's general plan (*i.e.*, Government Code Sections 66473.5 and 66474, subd. (b)) and have ruled that a subdivision tentative map application must be turned down when it is found that it is inconsistent with a jurisdiction's general plan's low income housing goals and policies:

“Since state law requires that subdivision map approvals be consistent with the community general plan (see Gov. Code Sections 66473.5 and 66474, subd. (b)), San Diego's failure to provide meaningful low-and moderate-income housing opportunities within North City West may be challenged at the subdivision map stage (See, *City of Del Mar v. City of San Diego* (1982) 133 Cal.App.3d 401).”

In fact, the courts have applied this requirement directly to the conservation of affordable housing contained in currently existing mobile home parks. For example, in *Buena Vista Garden Apartments Assn. v. City of San Diego Planning Department* (1985) 175 Cal.App.3d 289, at 303 to 304, the Court of Appeal overturned San Diego's granting of a development permit because San Diego's

General Plan's Housing Element did not adequately contain a program to conserve mobilehome parks and their affordability:

"These programs all address the conservation and rehabilitation of the structural condition of the existing housing stock and not the conservation of existing affordable housing opportunities in the community. In particular, as pointed out by the Department, there are no programs directed to how the city will "encourage" conservation of mobilehome parks or will conserve the existing affordable apartment rental stock. The Department viewed this latter omission "as a serious deficiency in the element given the City's declining multiple-family vacancy rate and threatened loss of approximately 11% of the City's total apartment inventory (*Ibid.*)." We conclude City has not substantially complied with section 65583, subdivision (c)(4)."

In the event that *Pacific Palisades* is upheld by the Supreme Court, the City Council could find and determine that it would be required to deny the Application on re-hearing under the separate statutory provisions of Government code sections 66473.5 and 66474 since the Application is *not* consistent with the Carson General plan policy of conserving the affordability of mobilehome spaces in the city.

Colony Cove also provides legal support for the proposition that the city can apply local regulations to deny the Application on re-hearing based upon non-compliance with the same because the *Colony Cove* opinion specifically holds not all local regulation is preempted.

Hence, it is the City Attorney's further opinion that the City Council could direct staff to include in any resolution of denial the necessary finding(s) that the Application fails to comply with other state and municipal requirements, but provide that such finding(s) are in addition to the other basis for denial set forth in the staff report and administrative record, and that such finding(s) is/are contingent upon the *Pacific Palisades* opinion being upheld by the Supreme Court on these relevant issues.

As discussed in detail in the Original Staff Report and Resolution No. 07-106, sections 9, 10, and 11, the proposed map is not consistent with the city's general plan including, preservation of Open Space element (see also, Government Code Section 65580), preservation of affordable housing elements and the density, goals, policies and objectives for low density residential development.

Therefore, the Council could direct the inclusion of the finding(s) that, contingent upon the *Pacific Palisades* decision being substantially affirmed by the California Supreme Court, the City Council would further deny the Application based upon the following two (2) additional grounds:

- 1) Application of Government Code Sections 66473.5 and 66474(a), which state that a city cannot approve a tentative map application for a proposed

subdivision unless it finds that it is consistent with the city’s general plan and Government code Section 65583, which mandates that cities’ general plans contain quantified objectives and policies to preserve the city’s current affordable housing stock inventory.

- 2) Any other co-equal state statutes, including statutes addressing the environmental concerns with the Wetlands.

VI. FISCAL IMPACT

Unknown at this time.

VII. EXHIBITS

- 1. Court of Appeal’s Decision in *Carson Harbor Village, Ltd. v. City of Carson*, Second Appellate District Case No. B211777, dated March 30, 2010. (pgs. 19-46)
- 2. October 26, 2010 writ from trial court. (pgs. 47-48)
- 3. Government Code Section 66427.5. (pgs. 49-50)
- 4. 2007 Executed MOU. (pgs. 51-56)
- 5. 2007 Survey of Support. (pgs. 57-62)
- 6. Original Tenant Impact Report (October 2006). (pgs. 63-80)
- 7. Supplemented Tenant Impact Report (May 2011). (pgs. 81-114)
- 8. *Paul Goldstone v. County of Santa Cruz, et al., Santa Cruz County*, Case No. CV164458. (pgs. 115-120)
- 9. *Monarch County Mobilehome Owners Association v. City of Goleta*, Case No. 1337356. (pgs. 121-125)
- 10. City Council Resolution No. 07-106. (pgs. 126-134)
- 11. City Council Staff Report dated September 4, 2007. (pgs. 135-180)
- 12. Draft Resolutions to be submitted under separate cover.

Prepared by: Sheri Repp Loadsman, Planning Officer, and William W. Wynder, City Attorney.

TO:Rev032811

Reviewed by:

City Clerk	City Treasurer
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Administrative Services	Development Services
Economic Development Services	Public Services

Action taken by City Council

Date _____ Action _____

NOT TO BE PUBLISHED IN THE OFFICIAL REPORTS

California Rules of Court, rule 8.1115(a), prohibits courts and parties from citing or relying on opinions not certified for publication or ordered published, except as specified by rule 8.1115(b). This opinion has not been certified for publication or ordered published for purposes of rule 8.1115.

IN THE COURT OF APPEAL OF THE STATE OF CALIFORNIA

SECOND APPELLATE DISTRICT

DIVISION EIGHT

CARSON HARBOR VILLAGE, LTD.,

Plaintiff and Respondent,

v.

CITY OF CARSON,

Defendant and Appellant.

B211777

(Los Angeles County
Super. Ct. No. BS112239)

APPEAL from a judgment of the Superior Court of Los Angeles County.
James Chalfant, Judge. Reversed and remanded.

Aleshire & Wynder, William W. Wynder, Sunny K. Soltani and Jeff M. Malawy,
for Defendant and Appellant.

Gilchrist & Rutter, Richard H. Close, Thomas W. Casparian, and Yen N. Hope;
The Loftin Firm and L. Sue Loftin, for Plaintiff and Respondent.

Bien & Summers, Elliot L. Bien, for Amicus Curiae, Western Manufactured
Housing Communities Association.

EXHIBIT "1 "



The City of Carson appeals from the trial court's judgment granting the petition of Carson Harbor Village, Ltd. for a writ of administrative mandamus. By the writ, the court directed the city to approve a tentative tract map for the conversion of Carson Harbor Village's mobilehome park to a resident owned facility. We reverse the trial court's judgment and remand for further proceedings.

FACTS AND PROCEEDINGS

Respondent Carson Harbor Village, Ltd. owns Carson Harbor Village Mobile Home Park, a 420 unit mobilehome park in the City of Carson. In 2002, respondent decided to convert the park's legal structure. Up to that time, residents of the mobilehome park leased the spaces on which they placed their mobilehome coaches. The proposed conversion would subdivide the park into a collection of separate plots owned individually by each park resident, something akin to a condominium arrangement including common space.

In December 2002, respondent submitted its application to the City of Carson for the conversion's tentative tract map. Government Code section 66427.5 of the Subdivision Map Act applied to the conversion. The statute required, among other things, that respondent file with its application a survey of the park's residents documenting their level of support, if any, for the conversion.¹ (§ 66427.5, subd. (d); *El Dorado Palm Springs, Ltd. v. City of Palm Springs* (2002) 96 Cal.App.4th 1153, 1181-1182 (*El Dorado*) [park owner must conduct survey].) Over the next two years, the city requested and received from respondent additional information about the proposed conversion. In 2005, respondent submitted its residents' survey showing only 11 percent of residents voted for the conversion (the rest were against it or did not vote) and, in September 2006, city staff deemed the application to be complete. (See §§ 65941, 65943.)

¹ All further statutory references are to the Government Code.



a. Proceedings Before the Planning Commission

Upon completion of the application, section 66427.5 obligated the city to hold a hearing on whether the application complied with the statute's multiple requirements. (*Id.*, subd. (e) [hearing required].) Accordingly, the city's planning commission convened a series of public hearings. The hearings addressed statutory requirements for the conversion, such as respondent's preparation of a tenant impact report and whether the conversion was a subterfuge by respondent to escape the city's local rent control laws. (*Id.*, subd. (b).) The hearings also covered matters such as the park's deteriorating physical condition and whether the conversion furthered the city's general development plan of preserving open space and low and moderate income housing. Following multiple hearings, the planning commission disapproved the application in March 2007 on several grounds. First, the planning commission found the conversion was inconsistent with provisions in the city's general plan to preserve affordable housing and open space. Second, the commission concluded the statutorily required tenant impact report lacked sufficient information about the conversion's effects on the park's residents and wetlands. Finally, the commission also denied the conversion because the survey of residents did not comply with subdivision (d) of section 66427.5. The planning commission "determine[d] . . . that the applicant has failed to demonstrate that a survey of support was conducted in conformance with Government Code § 66427.5." The commission's resolution denying the application stated:

"There is no evidence in the record that the survey of support was conducted in accordance with an *agreement* between the applicant and a resident homeowners association that is independent of the applicant or the mobilehome park owner as required by Government Code § 66427.5(d)(2)." (Italics added.)

b. Appeal to the City Council

Respondent appealed the planning commission's denial to the Carson City Council. While the appeal was pending, respondent offered incentives to park residents hoping to win their support for the conversion. The purported enticements included



upgrades and improvements to the park at respondent's expense, discounted prices for mobilehome spaces, and an extended phasing out of rent control for residents who opted to remain renters instead of buying their spaces after the conversion. Against the backdrop of the promised enticements, respondent conducted a second survey of residents in July 2007 to measure tenant support for the conversion. Three hundred fifty-six of the park's 418 residents voted, with 65 percent remaining opposed to the conversion.

In September and October 2007, the city council held a series of meetings to hear respondent's appeal from the planning commission's denial of respondent's application. To prepare council members for the hearings, city staff gave the council a written report that summarized the planning commission's proceedings and findings. After hearing respondent's appeal, the council affirmed the planning commission's decision. Among the council's reasons for affirming was the council's finding that the 2005 survey of support submitted to the planning commission with the application did not satisfy section 66427.5's requirements. The council found: "There is no evidence in the record that the survey of support was conducted in accordance with an agreement between the applicant and a resident homeowners association that is independent of the applicant or the mobilehome park owner as required by Government Code § 66427.5(d)(2)." (The City Council did not consider the 2007 survey that had been conducted after the planning commission had denied respondent's application.) The council also rejected respondent's appeal on other grounds, including the purported inadequacy of the tenant impact report and the conversion's inconsistency with the city's general plan.

c. Petition for Writ of Mandate

Respondent filed in the trial court a petition for writ of mandate. The petition asserted section 66427.5 preempted the city's attempt to dictate terms for the conversion, such as adhering to the city's general plan, which went beyond those required by the statute. According to respondent, the city's review of the application was limited to

assessing respondent's compliance with section 66427.5, leaving the city no discretion to deny the application for any reason other than noncompliance with the statute. Asserting it had complied with the statute, respondent asked the court to order the city to approve respondent's application for a tentative tract map to convert the park to resident ownership.

The trial court issued a writ in respondent's favor. In its minute order, the court agreed with respondent that section 66427.5 prohibited the city from imposing any conditions on the city's approval of the conversion beyond ensuring respondent's application complied with the statute. (See *Sequoia Park Associates v. County of Sonoma* (2009) 176 Cal.App.4th 1270, 1275 (*Sequoia*) [section 66427.5 preempts local regulation of mobilehome park conversion]; *El Dorado, supra*, 96 Cal.App.4th at pp. 1163-1164 [same].)² Hence, the court found the city erred in disapproving the application on the grounds the conversion conflicted with the city's general plan to maintain affordable housing and open space. Additionally, the court found the city was time-barred from seeking additional information in the statutorily required tenant impact report about the conversion's effect on tenant displacement and nearby wetlands. Addressing specifically the statute's requirement of a resident survey, the court described as "flimsy" respondent's evidence that the 2005 survey submitted with its application complied with the statutory requirement of being conducted in agreement with an independent association of residents. The court found, on the other hand, the second survey undertaken in July 2007 was a survey under section 66427.5, conducted pursuant to such an agreement. Although the second survey was too late for the planning commission's consideration, the trial court held the city had waived the survey's tardiness because the city council did not reject respondent's application on that ground. Rather, the city had concluded – wrongly, in the court's estimation – that respondent had

² *Sequoia* was filed after the trial court's decision, but the trial court correctly anticipated the analysis set out in the Court of Appeal decision. In supplemental briefs, the parties addressed the effect of *Sequoia* on this appeal.



not conducted the 2007 survey in agreement with the residents. (In fact, as we will explain, the court misstated the city's assessment of the survey's legal adequacy, and this misreading by the court of the administrative record will figure in our analysis of the significance of the two surveys.) Thus, the court concluded, the city abused its discretion in finding respondent had not submitted a survey that satisfied section 66427.5.

Based on its findings, the court issued a writ directing the city to vacate its resolution denying respondent's application, and to reconsider the application in light of the court's findings. The city's appeal followed.

DISCUSSION

1. *City's Contentions on Appeal*

This appeal turns on several contentions involving the city's disapproval of the conversion application. First, the city contends respondent's survey of residents, which the city may use to consider the "bona fides" of the conversion, was legally inadequate. Second, the city contends it lawfully denied the conversion for its inconsistency with the city's general plan for maintaining affordable housing and open space. And third, the city contends the statutorily required tenant impact report failed to include adequate information about the conversion's effect on nearby wetlands and tenant displacement.

2. *Introduction and Substantial Evidence Standard of Review*

Section 66427.5 obligates a local government to designate a local authority to hear a mobilehome park owner's application for a tentative tract map for conversion of a mobilehome park. (*Id.* at subd. (e) ["The subdivider shall be subject to a hearing by a legislative body or advisory agency, which is authorized by local ordinance to approve, conditionally approve, or disapprove the map."].) In the City of Carson, that authority is the planning commission. A party adversely affected by the planning commission's

decision may appeal the decision to the city council.³ We review the city’s denial of respondent’s application for substantial evidence; we do not review, nor are we bound by, the superior court’s factual findings or legal conclusions. “The scope of our review of the subject administrative agency action in this case is identical with that of the superior court. The same substantial evidence standard applies, and the issue is whether the findings of the [public agency] were based on substantial evidence in light of the entire administrative record. [Citations.] . . . [W]e must examine the findings made by the [agency] itself to determine whether they were supported by substantial evidence, rather than limiting ourselves to a review of the findings made by the trial court. [Citations.] (*Desmond v. County of Contra Costa* (1993) 21 Cal.App.4th 330, 334-335; see also *American Canyon Community United for Responsible Growth v. City of American Canyon* (2006) 145 Cal.App.4th 1062, 1070.)

3. *The Statute*

Although other authorities are helpful to our analysis, the case ultimately turns on the meaning of one statute, section 66427.5. Accordingly, we set out the entire statute before we begin our substantive discussion:

“At the time of filing a tentative or parcel map for a subdivision to be created from the conversion of a rental mobilehome park to resident ownership, the subdivider shall avoid the economic displacement of all nonpurchasing residents in the following manner:

³ The city council’s resolution denying respondent’s administrative appeal framed the resolution as one to “affirm the planning commission’s decision to deny tentative parcel map. . . .” The resolution itself stated respondent’s application was “submitted to appropriate agencies as required by the Subdivision Regulations of the City of Carson.” It further stated that “The Planning Commission held duly noticed public hearings After consideration of the evidence and testimony, the Planning Commission voted to deny Tentative Parcel Map”



(a) The subdivider shall offer each existing tenant an option to either purchase his or her condominium or subdivided unit, which is to be created by the conversion of the park to resident ownership, or to continue residency as a tenant.

(b) The subdivider shall file a report on the impact of the conversion upon residents of the mobilehome park to be converted to resident owned subdivided interest.

(c) The subdivider shall make a copy of the report available to each resident of the mobilehome park at least 15 days prior to the hearing on the map by the advisory agency or, if there is no advisory agency, by the legislative body.

(d)(1) The subdivider shall obtain a survey of support of residents of the mobilehome park for the proposed conversion.

(2) The survey of support shall be conducted in accordance with an agreement between the subdivider and a resident homeowners' association, if any, that is independent of the subdivider or mobilehome park owner.

(3) The survey shall be obtained pursuant to a written ballot.

(4) The survey shall be conducted so that each occupied mobilehome space has one vote.

(5) The results of the survey shall be submitted to the local agency upon the filing of the tentative or parcel map, to be considered as part of the subdivision map hearing prescribed by subdivision (e).

(e) The subdivider shall be subject to a hearing by a legislative body or advisory agency, which is authorized by local ordinance to approve, conditionally approve, or disapprove the map. The scope of the hearing shall be limited to the issue of compliance with this section.

(f) The subdivider shall be required to avoid the economic displacement of all nonpurchasing residents in accordance with the following:

(1) As to nonpurchasing residents who are not lower income households, as defined in Section 50079.5 of the Health and Safety Code, the monthly rent, including any applicable fees or charges for use of any preconversion amenities, may increase from the preconversion rent to market levels, as defined in an appraisal conducted in accordance with nationally recognized professional appraisal standards, in equal annual increases over a four-year period.

(2) As to nonpurchasing residents who are lower income households, as defined in Section 50079.5 of the Health and Safety Code, the monthly rent, including any applicable fees or charges for use of any preconversion amenities, may increase from the preconversion rent by an amount equal to the average monthly increase in rent in the four years immediately preceding the conversion, except that in no event shall the monthly rent be increased by an amount greater than the average monthly percentage increase in the Consumer Price Index for the most recently reported period."



4. *Adequacy of Resident Surveys*

The city's first contention on appeal is that respondent failed to comply with subdivision (d) of the statute because it did not obtain "a survey of support from residents of the mobilehome park for the proposed conversion." (§ 66427.5, subd. (d)(1).)

Before the hearing, the park owner must file with its application the results of the resident survey. The survey must be conducted pursuant to an agreement between the subdivider and an independent homeowners association, it must be by written ballot, and each occupied mobilehome space is entitled to have one vote. (§ 66427.5, subd. (d)(2)(3)(4).) "The results of the survey shall be submitted to the local agency upon the filing of the tentative or parcel map, to be considered as part of the subdivision map hearing prescribed by subdivision (e)." (§ 66427, subd. (d)(5).)

a. The 2005 Survey

As we have observed, the city empowered its planning commission initially to grant or deny respondent's application for a tentative tract map. The administrative record compiled by the planning commission contains substantial evidence that respondent's 2005 survey filed with its application did not comply with statutory requirements because respondent did not conduct the survey in "agreement" with a residents' homeowners association.⁴ The president of the homeowners' association and its lawyer each testified no agreement existed. Consistent with their testimony, it was counsel for respondent who conducted the survey with little, if any, visible involvement by a residents' association, sending out the survey under counsel's letterhead and asking that residents return the ballots to counsel. At best, respondent conducted the survey,

⁴ Although we review the administrative record ourselves for substantial evidence, we note that the trial court reached the same conclusion that in 2005 no agreement existed between respondent and a residents' association.



which was prepared by its attorney, “in conjunction with” (counsel’s words) the association.⁵

Against that somewhat vague description of involvement, the city heard testimony that the residents’ association told residents not to answer respondent’s survey, testimony from which we (and the trial court) drew the inference that no agreement existed with the association. Respondent counters that the trial court said during the hearing on respondent’s petition that if the court “was going to change the tentative at all it would be to say that the initial survey was adequate.” But the court’s rumination does not help respondent because the court did not change its tentative – indeed, the court finished its thought by saying “I guess I’ll leave it the way it is.” In any case, we review the city’s decision for substantial evidence, and we affirm so long as substantial evidence supports the city’s findings. (*Desmond v. County of Contra Costa*, *supra*, 21 Cal.App.4th at pp. 334-335; *American Canyon Community United for Responsible Growth v. City of American Canyon*, *supra*, 145 Cal.App.4th at p. 1070.) Because substantial evidence supported the finding that the 2005 survey had not been conducted “in accordance with an agreement” between respondent and the residents, the planning commission and the city council could have denied the application on that ground.

b. The 2007 Survey

The 2005 survey submitted to the planning commission was not, however, the end of the story. In July 2007, while its appeal from the planning commission to the city council was pending, respondent conducted a second survey in coordination with the city and the residents’ homeowner’s association, and presented the survey’s results to the city

⁵ More fully, respondent’s counsel testified the survey was done “in conjunction with the Board at that time. The president was Cindy McGregor and their attorney who was Mr. Semelsberger . . . the survey [was] actually disseminated by the board. Cindy McGregor was actively involved in that. The content and the final form was also worked out with the board through their attorney, David Semelsberger.”



council. The trial court interpreted subdivision (d) as allowing respondent to file its survey upon its appeal to the city council, an interpretation the city partly conceded at oral argument on appeal when it acknowledged the city's planning authority included both the planning commission and – in appellate counsel's words – the city council “by extension by right of appeal.” Working from its premise that respondent could submit the results of its survey up to the time of its appeal to the city council, the trial court found the city waived the untimeliness of the second survey because “the City Council did not purport to deny the Application based on a failure to timely present the second Survey of Support.”

We review for substantial evidence whether waiver occurred. (See *Engalla v. Permanente Medical Group, Inc.* (1997) 15 Cal.4th 951, 983.) The city council's resolution affirming the planning commission discussed the particulars of only the 2005 survey. Although at one point its resolution did ambiguously refer to the “survey” without elaboration, elsewhere the resolution's description of the survey's vote tally made clear, however, that it was contemplating only the 2005 survey when it stated respondent “has failed to demonstrate that a survey of support was conducted in conformance with Government Code § 66427.5.” The city council, to be sure, was aware of the second survey's results, but the council was assessing survey compliance based on the administrative record before it. That was the administrative record from the hearings before the planning commission that did not contain the 2007 survey. (The planning commission did not receive the results of the 2007 survey because the commission had denied respondent's application before respondent undertook the second survey.) The city council did not formally find the second survey was untimely; the council just ignored it in its resolution denying the application. We disagree with the trial court when it drew an inference of *waiver* by the council of the untimeliness of a survey that the council had not considered. Waiver of the time deadlines could only have occurred if the city council had taken the second survey into account in reaching its decision, and then



affirmatively found the survey noncompliant, because, for example, of a deficiency in the agreement between the homeowners and respondent.

We agree with the trial court, though for slightly different reasons, that the city council was required to take into account the second survey. The 2007 survey was a coordinated undertaking in which the city participated. Indeed, the city clerk counted the ballots and certified the vote tally, and the trial court expressly found “there is overwhelming evidence that a second Survey of Support was performed in July 2007 . . . through an agreement between [respondent] and the [residents’ homeowners association].” The city assisted the survey because it sought an outcome for the mobilehome park that all stakeholders – respondent, the residents, and the city – could support. Having at the very least implicitly encouraged respondent’s undertaking of a second survey, the city is estopped from ignoring it.

Estoppel against a public agency is available when under the special facts of the case, the interests of justice require it. (*City of Long Beach v. Mansell* (1970) 3 Cal.3d 462, 493-495.) As part of the process that produced the 2007 survey, respondent and the homeowners negotiated a Memorandum of Understanding (MOU) that significantly benefited the homeowners. The MOU included, among other things, upgrades and improvements to the park at respondent’s expense, discounted prices for mobilehome spaces, and an extended phasing out of rent control for residents who opted to remain renters instead of buying their spaces after the conversion. As part of this process, the city assisted in the creation of a new survey with the understanding that the second survey might avoid the deficiencies of the 2005 survey. Under those circumstances, the city may not turn around and act as if the survey had never taken place. (See § 66427.5, subd. (d)(5) [survey results “to be considered as part of the subdivision map hearing”].)

In directing the city to consider the 2007 survey, we express no view about whether the survey satisfies the statutory requirements for a survey of residents. Our direction is limited to precluding the city from rejecting the survey as untimely. If the city finds in the first instance that the survey is statutorily adequate, then the city must



find respondent complied with section 66427.5, subdivision (d), and, as we discuss next, the city may consider the survey's results in its assessment of whether the conversion is bona fide.

5. *The Bona Fides of the Conversion.*

The city denied map approval in part based on its finding that the conversion was not bona fide. The trial court concluded the city did not have authority under the statute to determine the bona fides of a mobile park conversion. As we explain, we disagree that a local agency is prohibited from determining whether a conversion is bona fide. We do find, however, that the city's view of its authority in this area went too far in the other direction by being overbroad. We remand to the city for it to redetermine the issue in light of its statutory obligation to consider the legal adequacy of the 2007 survey as guided by a correct understanding of its statutory authority.

The notion that a city may not consider the bona fides of a conversion appears to have emerged from *El Dorado, supra*. That decision held that a city's review of a mobilehome park conversion was limited to confirming the park owner had complied with the conversion statute. (See *El Dorado, supra*, 96 Cal.App.4th at pp. 1163-1164.) From that holding sprang the idea that the city's review was so narrowly circumscribed that it could not even consider the bona fides of a conversion. (See *Sequoia, supra*, 176 Cal.App.4th at p. 1286, fn. 6.)

Our examination of *El Dorado, Sequoia*, and the 2002 statutory amendments leads us to conclude that a local agency may, within strict confines, determine the bona fides of a conversion. *El Dorado* concluded that section 66427.5 did not expressly permit local agencies to deny a conversion to a "developer who was engaged in a sham or fraudulent transaction which was intended to avoid the rent control ordinance." (*El Dorado, supra*, 96 Cal.App.4th at p. 1165.)⁶ The court expressed concern about the problem but found

⁶ The term "avoid the rent control ordinance" presumably referred to past conversions in which not all park spaces were sold. Instead, some were re-rented under



the solution rested with the Legislature. “Although the lack of such authority may be a legislative oversight, and although it might be desirable for the Legislature to broaden the City’s authority, it has not done so.” (*Ibid.*) Only the courts, not local agencies, could address sham conversions. (*Ibid.*)

The opinion in *El Dorado* was filed in March 2002. Later that same year, the Legislature took up the court’s invitation and amended section 66427.5. As part of this process, the Legislature acknowledged the deficiency in the act identified by the court in *El Dorado* that precluded local agencies from preventing “nonbona fide conversions.” (Stats. 2002, ch. 1143, § 2, A.B. 930.) Expressly in response to *El Dorado*, the Legislature added section 66427.5, subdivision (d) which for the first time required the applicant to “obtain a survey of support of residents of the mobilehome park.” (§ 66427.5, subd. (a)(1).⁷ In doing so, the Legislature identified the newly enacted survey requirements as a device to assist the local agency in approving only bona fide conversions. (See *Sequoia, supra*, 176 Cal.App.4th at p. 1296 [the limited nature of the amendment meant the Legislature deemed the survey sufficient to address the bona fide

circumstances that allowed the landlord to avail itself of state law or local ordinance authorizing an increase over the preconversion rent.

⁷ See Statutes 2002, ch. 1143, § 2 A.B. No. 930 amending section 66427.5 to add subdivision (d) mandating resident survey. [“It is the intent of the Legislature to address the conversion of a mobilehome park to resident ownership that is not a bona fide resident conversion, as described by the Court of Appeal in *El Dorado, supra*, 96 Cal.App.4th 1153. The court in this case concluded that the subdivision map approval process specified in Section 66427.5 of the Government Code may not provide local agencies with the authority to prevent nonbona fide resident conversions. The court explained how a conversion of a mobilehome park to resident ownership could occur without the support of the residents and result in economic displacement. It is, therefore, the intent of the Legislature in enacting this act to ensure that conversions pursuant to Section 66427.5 of the Government Code are bona fide resident conversions.”]

Sequoia recognized that the 2002 amendments were in response to “the continuing problem of mobilehome park conversion and the phrase ‘bona fide’ . . .” following *El Dorado*. (*Sequoia, supra*, at p. 1287.)



conversion problem].) The Legislature explained its intent that local government determine the bona fides of a conversion in the uncodified portion of the 2002 amendments:

“This bill seeks to provide a measure of that support for *local agencies* to determine whether the conversion is truly intended for resident ownership, or if it is an attempt to preempt a local rent control ordinance. The results of the survey would not affect the duty of the local agency to consider the request to subdivide pursuant to Section 66427.5 but merely provide additional information.” (Sen. Con. Amends. to Assem. Bill No. 930 (1999-2000 Reg. Sess.) p. 5; italics added.)

Stated slightly differently, it stands to reason that the Legislature did not intend the survey to be an idle exercise but rather meaningful input for the city’s review of the application. The statutory reference to “local agencies” indicates that those agencies, with their wide experience in land use matters (see generally *Big Creek Lumber Co. v. County of Santa Cruz* (2006) 38 Cal.4th 1139, 1151), may determine bona fides in the first instance.

Although the city has the legal authority to deny a conversion that is not bona fide, the city appears to have misjudged its task in making that determination. Whether the conversion is or is not bona fide turns on the state of mind of the park owners. This is seen not only from the plain meaning of “bona fide conversion” but also the legislative history on which the city itself relies. A bona fide conversion is one that the park owner *expects* to in fact produce a change in the estate interest of a significant percentage of the mobilehome lots from tenancy to ownership. An inquiry into the bona fides of the conversion must, therefore, focus on the state of mind of the mobile park owner. As we have observed, the 2002 legislative amendments were designed to assist local agencies to determine “whether the conversion is truly intended for resident ownership, or if it is an attempt to preempt a local rent control ordinance.” (Sen. Con. Amends. to Assem. Bill No. 930 (1999-2000 Reg. Sess.) p. 5.) The statute’s use of “intended” and “attempt” direct attention to the park owner’s state of mind.

But the city's resolution did not focus on the state of mind of the park owner. Rather the resolution shows that the city has equated the bona fides of a conversion with the level of tenant support. Section 12(c) of the Resolution states:

“[T]he applicant has failed to demonstrate that there is sufficient resident support for this application sufficient to enable the Planning Commission to find and determine that approval of this application will result in a *bona fide* conversion to resident ownership in conformance with Government Code § 66427.5.”

Any doubt that the city has measured bona fides by tenant support alone is dispelled by the arguments made by the city in this appeal. The city contends that the determination of a bona fide conversion does not involve an inquiry into the park owner's intent. In its opening brief, the city states: “[T]he issue of whether a conversion is bona fide is to be determined based on whether there is resident support for the conversion application.” Repeating the test in the reply brief, the city argues the second survey demonstrated that the application “was wholly lacking in bona fide resident support.” But that is not what the legislative amendments address. The amended language states that surveys are relevant in the determination of “bona fide resident conversions.” A *resident conversion* is not the same as *resident support*.⁸

The uncodified legislation described the survey as a device to enable local agencies “to determine whether the conversion is truly intended for resident ownership, or if it is an attempt to preempt a local rent control ordinance.” The level of tenant support, or lack thereof, may be circumstantial evidence of the presence or absence of

⁸ The city suggests that the park owner's state of mind is only relevant to whether the conversion is a “sham” (*El Dorado, supra*, 96 Cal.App.4th at p. 1165), not whether it is bona fide. We disagree. A “sham” is essentially the converse of “bona fide”; something that is a sham cannot be bona fide, and vice versa.



bona fides but it is not dispositive. “The law is not intended to allow park residents to block a request to subdivide.”⁹

We agree with the city that it may *consider* the survey in deciding whether a conversion is bona fide for that is exactly what section 66427.5, subdivision (d)(5) says. As the 2002 amendments intended, the survey provides a *measure* (a yardstick, if you will) of tenant support, but the language is immediately followed by the legal test for a bona fide conversion: the owner’s intent to truly provide for tenant ownership and the absence of intent to avoid rent control. The city must decide that question in approving or denying the application; the absence of majority support for the conversion among residents cannot be dispositive.¹⁰ (*Sequoia, supra*, 176 Cal.App.4th at pp. 1286-1287; *El Dorado, supra*, 96 Cal.App. at pp. 1172-1173.)

6. *Inconsistency with the City’s General Plan*

The city also disapproved the application for conversion because the city found the conversion conflicted with the city’s general plan to maintain affordable housing and preserve open space. Respondent contends this ground was unlawful because the city’s review of the application is limited to determining whether the application complied with the statutory requirements of section 66427.5. Respondent’s contention rests on subdivision (e) of section 66427.5, which states, “The subdivider shall be subject to a hearing by a legislative body or advisory agency, which is authorized by local ordinance

⁹ The *Sequoia* court struck down on preemption grounds the Sonoma County ordinance that expressly tied whether or not a conversion was bona fide to a specific percentage of tenant support. (See *Sequoia, supra*, 176 Cal.App.4th at p. 1292.) In theory, a mobile park conversion could be bona fide without *any* resident support. For example, the park owner might have signed offers by third persons to purchase all of the park’s lots.

¹⁰ Respondent acknowledges the results of the survey are relevant to whether a conversion is bona fide. It argues only that the courts, not the local agency, must decide the issue.



to approve, conditionally approve, or disapprove the map. The scope of the hearing shall be limited to the issue of compliance with this section.” Respondent further asserts the Legislature intended state law to completely occupy the arena of mobilehome park conversions, and thus preempt all local ordinances and regulations. The city disagrees, asserting that the state’s regulation of mobilehome park conversions does not interfere with a local government’s traditional police and zoning powers.

The recent decision in *Sequoia, supra*, 176 Cal.App.4th 1270 is dispositive in establishing respondent is correct. The *Sequoia* court closely examined the question of whether section 66427.5 preempted a local government’s attempt to impose additional requirements on a mobilehome park conversion beyond those requirements the statute identified. (*Id.* at p. 1274.) In *Sequoia*, the county had adopted an ordinance that had several provisions governing the county’s approval of a conversion, including the conversion’s effect on the county’s general plan of preserving affordable housing and maintaining open common areas within the mobilehome park. (*Id.* at pp. 1274-1275, 1288, 1290.) The *Sequoia* court engaged in a detailed and well-reasoned analysis of preemption principles. (*Id.* at pp. 1277-1282.) From its analysis, the court held section 66427.5 preempted the county’s attempt to regulate the conversion process or to impose additional requirements beyond compliance with section 66427.5. (*Id.* at pp. 1274-1275.) Citing subdivision (e) of the statute, the court stated: “[W]e conclude that the ordinance is expressly preempted because section 66427.5 states that the ‘scope of the hearing’ for approval of the conversion application ‘shall be limited to the issue of compliance with this section.’ ” (*Id.* at p. 1275; see also *El Dorado, supra*, 96 Cal.App.4th at pp. 1163-1165 [same].)

We find *Sequoia*’s analysis persuasive. Its analysis supports its conclusion that “the state has taken for itself the commanding voice in mobilehome regulation” and that “[l]ocalities are allowed little scope to improvise or deviate from the Legislature’s script.” (*Sequoia, supra*, 176 Cal.App.4th at p. 1293.) Accordingly, we see no purpose in rehashing its discussion here and instead adopt its holding that section 66427.5



“express[ly] preempt[s] the power of local authorities to inject other factors [besides those the statute identifies] when considering an application to convert an existing mobilehome park from a rental to a resident-owner basis.” (*Id.* at p. 1297.) Hence, we agree with the trial court that the city cannot reject the application for conversion because the conversion conflicts with the city’s general plan.¹¹

7. *Adequacy of Tenant Impact Report*

The city also disapproved the application for conversion because the city found the statutorily required tenant impact report was inadequate. Section 66427.5, subdivision (b) states the park owner “shall file a report on the impact of the conversion upon residents of the mobilehome park to be converted to resident owned subdivided interest.” On appeal, the city focuses on two purported sets of broad inadequacies in the application: the report’s failure to address the conversion’s effect on wetlands that were a substantial part of the city’s open space, and its failure to adequately address economic displacement of tenants from the conversion. As for the wetlands, the city found the tenant impact report did not include information concerning (1) the “extraordinary measures needed to meet the requirements of the California Department of Fish and Game . . . [and] the unreasonable liability and maintenance responsibilities that will be borne by the resident owners following the date of conversion” and (2) “the significant remediation costs should the park be determined responsible for contamination within the wetlands.” As for tenant displacement, the city found the report did not include information about: (1) “the impact of the conversion upon displaced residents;” (2) “the availability of adequate replacement space in mobilehome parks;” (3) “the impact of rent increases on the continued financial viability of non-low income non-purchasing residents remaining as park renters;” (4) “the likely increase in rental rates on non-low income non-purchasing residents [and] the impact of such rental adjustments on available

¹¹ In its supplemental brief, the city concedes that *Sequoia* holds that section 66427.5 preempts local mobilehome ordinances. The city urges us not to follow *Sequoia*.



disposable income [and whether] . . . such rent increases . . . could or will result in short- or long-term resident displacement;” (5) whether “the economic impact of annual rent increases may result in resident displacement;” and (6) the “availability of adequate replacement space in mobilehome parks.”

The trial court concluded that the city’s desire for information about the conversion’s effect on wetlands and tenant displacement was reasonable in helping the city assess the impact of the conversion on the park’s residents. The court found, however, that the city wrongfully insisted that respondent provide additional information about those effects. The court reasoned the city could not request additional information – nor reject the application for missing information – after city staff had deemed the application to be “complete.” (See §§ 65941, 65943.) We note, initially, that the “completeness” threshold exists to start the clock running on the city’s review of the application. (*Orsi v. City Council* (1990) 219 Cal.App.3d 1576, 1583.) By starting the clock, the process imposes an end time for what might otherwise become an endless series of delays, amounting effectively to a pocket veto of an application for conversion. (Accord *Orsi* at pp. 1578, 1586.) Such does not, however, preclude a city from, as a general matter, requesting more information. (See § 65920 et seq. (“Permit Streamlining Act”) [supplementing permit application with more information].)

Section 65944 expressly authorizes a local agency processing a permit application to request the applicant to “clarify, amplify, correct, or otherwise supplement” information in the application. (§ 65944, subd. (a).) The agency may not, however, request “any new or additional information” that the agency had not previously identified as needed in an application. (§§ 65944, subd. (a), 65940, subd. (a).) We recognize the challenge in distinguishing between prohibited “new or additional” information, on the one hand, and permitted “amplifying” or “supplementing” information, on the other. The fact remains, as the statute explains, the city is not barred from requesting more



information once the application is “complete.”¹² The record does not, however, enable us to find as a matter of law that the information the city sought was prohibited “new or additional” information given that respondent had already provided information about wetlands and tenant displacement as part of the application process. Accordingly, since we remand this matter for other determinations, we also remand for determination of the adequacy of the tenant impact report. The city’s review of the tenant impact report is limited to confirming whether the report complies with section 66427.5. (See § 66427.5, subd. (e) [hearing limited to determining compliance with statute].) In reviewing the report’s adequacy, the city, shall in the first instance, determine whether the information it seeks is prohibited “new or additional” information, or information properly sought to “clarify, amplify, correct, or otherwise supplement” the application. The city’s review may not, however, impose extra-statutory conditions for the reasons we have already discussed. (See *Sequoia, supra*, 176 Cal.App.4th at p. 1297; *El Dorado, supra*, 96 Cal.App.4th at p. 1165.)

DISPOSITION

The judgment is reversed, and the matter is remanded to the trial court with directions to require the Carson City Council to review the application by Carson Harbor Village, Ltd. for conversion of the mobilehome park guided by the principles articulated in this opinion. In its review, the city council must determine whether the 2007 survey complies with the statute, without regard to the timing of the submission of the survey. If the city council finds the survey is adequate, the city council must consider the survey and may do so in determining whether the conversion is bona fide. In analyzing whether the conversion is bona fide, the city council may not, however, impose a minimum threshold of tenant support for the conversion. Second, the city council may not disapprove the application on the ground that it conflicts with the city’s general plan.

¹² The trial court stated: “The City Council had no discretion but to accept the [tenant impact report] as complete and could not require new information.”



And third, the city council must, in the first instance, determine whether the tenant impact report complies with the requirements for such a report as stated in section 66427.5, subdivision (b), taking into account the City Council's limited ability to require more information under sections 65940, subdivision (a) and 65944, subdivision (a). If the city council concludes the conversion is bona fide and the tenant impact report complies with statutory requirements, the city council must approve the application. If the city council concludes otherwise and disapproves the application, the city council must specify the grounds for its disapproval, with the trial court retaining jurisdiction to review the application in further proceedings considering Carson Harbor Village, Ltd.'s petition for writ of mandate. (See *El Dorado, supra*, 96 Cal.App.4th at p. 1182.)

Each side is to bear its own costs on appeal.

RUBIN, J.

I CONCUR:

FLIER, J.



BIGELOW, P. J., Dissenting:

I respectfully dissent.

The trial court in this case issued a thoughtful 11-page ruling, detailing its reasons for granting the petition for writ of mandate. I would affirm its ruling.

First, the majority concludes, incorrectly in my view, that the judgment must be reversed to allow the city an opportunity to determine whether CHV obtained a proper survey of support of residents of the mobilehome park for the proposed conversion as required by Government Code section 66427.5, subdivision (d)(1).¹

I agree with the majority's conclusion that the 2005 survey was not conducted in accordance with an agreement with the residents' HOA and that the 2007 survey was. There can be no serious dispute that the second survey was, in fact, done pursuant to an agreement between CHV and the residents' HOA — the administrative record is unambiguous in this regard. I agree with the majority that the city is estopped from rejecting the 2007 survey, but part with its conclusion that remand is required for the city to consider it. The city council had the 2007 survey of residents before it when it made its decision to deny CHV's tentative subdivision map for conversion. The denial of the city council was based on its factual finding that the 2005 survey did not comply with the requirement that it be done in agreement with the residents' HOA. We review the city council's denial on this factual basis for substantial evidence. There is no substantial evidence to support a finding of a noncompliant survey of residents. The record shows that the city council had the compliant 2007 survey which was completed through an

¹ All further section references are to the Government Code. Section 66427.5 does not define what constitutes a "survey of support," but even the majority agrees that this term does not mean that a majority of the tenants must vote in support of a conversion to allow the local agency to approve a subdivision of a mobilehome park.



agreement between CHV and the residents' HOA. Just because the city council chose to ignore the compliant 2007 survey it does not mean they should get a second bite at the apple.

I further disagree with the majority that the 2002 amendment to section 66427.5, when it added subdivision (d), was either by its plain meaning or its legislative intent, meant to grant or expand the authority of local governments to determine the *bona fides* of a conversion. First, a legislative analysis cited by the trial court explicitly states that “[t]he result of the survey *would not affect the duty of the local agency* to consider the request to subdivide pursuant to section 66427.5 but merely provide [the agency with] additional information.” Since the amendment to section 66427.5 was made directly in response to the decision in *El Dorado Palm Springs, Ltd. v. City of Palm Springs* (2002) 96 Cal.App.4th 1153 (*El Dorado*), it is hard to imagine a clearer statement to indicate that the Legislature did not intend to modify *El Dorado*'s holding that a city's review of a mobilehome park conversion in the context of section 66427.5 is limited to confirming whether the park owner complied with the requirements of section 66427.5. (*El Dorado, supra*, 96 Cal.App.4th at pp. 1163-1165.) But, if there were any question, the intent of the Legislature is all the more clear because, when adding subdivision (d)'s requirement for a survey of support, the Legislature retained section 66427.5's then-existing language, now found in subdivision (e), that “[t]he scope of the hearing shall be limited *to the issue of compliance with this section.*” (Emphasis added.)

In the same vein, I further disagree with the majority's conclusion that a city is at liberty — in the context of a hearing pursuant to section 66427.5, subdivision (e) — to deny a conversion that is not bona fide based upon a determination of “the state of mind of a park owner.” The majority creates from whole cloth a rule that whether a conversion is bona fide turns on the state of mind of the park owners, and then decides that the city, contrary to the statutory scheme and the decision in *El Dorado*, is at liberty to make the determination which falls within that purview. I part company with that analysis.

I also believe the trial court appropriately found that any defect in the Tenant Impact Report (TIR) was waived when the city's staff deemed the application complete. (*Orsi v. City Council* (1990) 219 Cal.App.3d 1576, 1584-1585 (*Orsi*)). Section 66427.5, subdivision (b), requires a subdivider to "prepare a report on the impact of the conversion upon residents of the mobilehome park to be converted to resident owned subdivided interest." The Permit Streamlining Act (§ 65920 et seq.) governs this area of the law and provides that a public agency "which has the principal responsibility for carrying out or approving a project" – called the "lead agency" – must inform a permit applicant in writing whether the application is complete and accepted for filing. (§§ 65929, 65943.) If the lead agency fails to notify the applicant one way or the other, the application " 'shall be deemed complete for purposes of this chapter.' " (*Orsi, supra*, 219 Cal.App.3d at p. 1583, citing § 65956, subd. (b).) When adopting the Permit Streamlining Act, the Legislature determined there was "a statewide need to ensure clear understanding of the specific requirements which must be met in connection with the approval of development projects and to expedite decisions on such projects." (§ 65921.)

The majority agrees the Permit Streamlining Act prohibits a local agency which is processing a permit application from requesting new or additional information that it did not previously identify was needed in the application. (Maj. opn. at p. 22.) At the same time, however, the majority concludes the record does not "enable us to find as a matter of law that the information which the City of Carson sought was prohibited 'new or additional' information, on the one hand, [or] permitted 'amplifying' or 'supplementing' information, on the other." (*Ibid.*) The TIR is part of the record on appeal, and I read it otherwise. There are two areas the city determined were lacking in the TIR, justifying denial of CHV's tentative map: information on the impact of conversion on nearby wetlands and tenant displacement information. As noted by the trial court, "[t]he information concerning wetlands was not requested before the Application was deemed complete. This information is new and not part of a request to clarify previously submitted information." As for information about tenant displacement, the TIR included

information on the impact of conversion on residents who elect not to purchase. The city council requested additional information on residents who elected not to purchase. This information would not amplify or supplement information already provided in the application; it was a request for a new area of additional information. The city council had no authority to deny the application once the TIR was complete and it did so in error.

On a final note, I feel compelled to clarify where I understand this case to stand on a procedural front. When the Legislature enacted the existing version of the Subdivision Map Act (§ 66410 et seq.) in 1974, the Act required, in broad terms, that a tentative map be filed and approved in accord with the provisions prescribed in Chapter 3, Article 2 of the Act (§ 66452 et seq.) and that a final map would then be filed and approved in accord with the provisions of Chapter 3, Article 4 of the Act (§ 66456 et seq.). At the time of its enactment, the Act did not include any of the sections involved in this case dealing with the specific circumstance of subdividing an existing mobilehome park.

In 1991, the Legislature added section 66427.5 to the Act's "General Provisions" (Chapter 1, Article I; § 66425 et seq.) in a transparent attempt to provide an added layer of directly-focused protections to residents of mobilehome parks faced with the prospect of a park owner's decision to subdivide the property. The section's original language dealt with a funding program to assist residents in purchasing their park spaces, and is not relevant for purposes of the current opinion. Then, in 1995, the Legislature amended section 66427.5 to read in a form recognizable to us today, providing that a mobilehome park owner is required to "avoid the economic displacement of all nonpurchasing residents" by adhering to prescribed procedures, including the preparation of a report on the impact of the park's conversion on displaced residents. (Stats 1995, ch. 256, § 5, p. 883.)² At the same time, the Legislature first added language providing that "[t]he subdivider shall be subject to a hearing by [a local agency having authority to approve a tentative map]. The scope of the hearing shall be limited to the issue of compliance with

² The 1995 legislation also amended section 66427.4, which requires a report on the impact of the conversion on displaced residents.



this section. . . .” (See former § 66427.5, subd. (d); Stats 1995, ch. 256, § 5, p. 883.)

The Summary Digest of the 1995 legislation provides: “This bill would . . . add further requirements for avoiding economic displacement of nonpurchasing residents, including requiring that the subdivider be subject to a hearing on the matter, as specified.”

(See Legis. Counsel’s Dig., Sen. Bill No. 310 (1989-1991 Reg. Sess.) Summary Dig., p. 75.) In 2002, the language requiring a hearing to determine a park owner’s compliance with section 66427.5 was moved to a new subdivision (e) when subdivision (d)’s requirement for a survey of support was added. (Stats 2002, ch. 1143, § 1.)

In light of the legislative history, I interpret section 66427.5, subdivision (e), to have added a preliminary step in the subdivision process in the context of a mobilehome park conversion, adding a special hearing on the limited issue of resident displacement under the section as a whole, apart from the normally-followed processes for approval of a tentative map (Chapter 3, Article 2) and approval of a final map (Chapter 3, Article 4). I do not believe that section 66427.5, subdivision (e), was intended to eliminate the broader structure of the Subdivision Map Act vis-à-vis a tentative map and a final map, and the approval of the same. With this understanding in mind, the limitation on the scope of the hearing that is prescribed in section 66427.5, subdivision (e), makes sense. As I read the statutes, once a subdivider and local agency have finished the required hearing to determine compliance with section 66427.5, the now-deemed compliant informational materials, are ready for the tentative map approval process.

What all this means is that the cause before us today primarily deals with discrete issues concerning section 66427.5, the survey of support required by the section, and the limited hearing required under the section to determine whether a mobilehome park owner complied with the section. I simply disagree that broader issues, such as the “bona fides” of a subdivision of a mobilehome park fall within the scope of section 66427.5.

In the case before us today, the city of Carson denied CHV’s tentative map on the grounds that CHV did not obtain a proper survey of support under section 66427.5, and did not submit a proper TIR under section 66427.4. It appears the city considered issues



under section 66427.5 at the same time it considered approval of CHV's tentative map. I express no view on the propriety of a proceeding in this fashion, but I agree with the trial court that the city improperly determined that CHV did not comply with section 66427.5, and that the city improperly determined that CHV did not comply with section 66427.4. Inasmuch as these were the fundamental grounds upon which the city denied approval of CHV's tentative map, the city's decision to deny approval of CHV's tentative map cannot stand.

I would affirm the trial court's decision to grant the writ of mandate.

BIGELOW, P. J.



ORIGINAL

1 RICHARD H. CLOSE (Bar No. 50298)
THOMAS W. CASPARIAN (Bar No. 169763)
2 YEN N. NGUYEN (Bar No. 233880)
GILCHRIST & RUTTER
3 Professional Corporation
Wilshire Palisades Building
4 1299 Ocean Avenue, Suite 900
Santa Monica, California 90401-1000
5 Telephone: (310) 393-4000
Facsimile: (310) 394-4700

6 L. SUE LOFTIN, ESQ. (Bar No. 92016)
7 THE LOFTIN FIRM
5760 Fleet Street, Suite 110
8 Carlsbad, California 92008
Telephone: (760) 431-2111
9 Facsimile: (760) 431-2003

10 Attorneys for Petitioner
Carson Harbor Village, Ltd

11
12 SUPERIOR COURT OF THE STATE OF CALIFORNIA
13 FOR THE COUNTY OF LOS ANGELES

14 CARSON HARBOR VILLAGE, LTD, a
California Limited Partnership,

15 Petitioner,

16 v.

17 CITY OF CARSON, a municipal corporation,

18 Respondent.

CASE NO. BS112239

Assigned to The Hon. James C. Chalfant
Dept. 85

K
~~PROPOSED~~ WRIT OF MANDATE

Action Filing Date: November 30, 2008

19
20
21
22 TO CITY OF CARSON:

23 Good cause appearing from the Verified Petition for Writ of Mandate filed in this Court on
24 November 30, 2007, supporting documents on file in this proceeding, and the Opinion issued by
25 the Court of Appeal, Second District, Division Eight in this matter on March 30, 2010
26 ("Opinion"),

27 YOU ARE HEREBY COMMANDED, pursuant to the Stipulated Judgment entered on

28 10-13-10, to vacate, set aside and repeal Resolution No. 07-106.



LAW OFFICES
GILCHRIST & RUTTER
PROFESSIONAL CORPORATION
1299 OCEAN AVENUE, SUITE 900
SANTA MONICA, CALIFORNIA 90401-1000
TEL (310) 393-4000 • FAX (310) 394-4700

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GILCHRIST & RUTLER
PROFESSIONAL CORPORATION
1288 OCEAN AVENUE, SUITE 900
SANTA MONICA, CALIFORNIA 90401-1000
TEL (310) 383-4000 • FAX (310) 384-4700

1 **YOU ARE FURTHER COMMANDED** to conduct further proceedings to review and
2 reconsider Petitioner's application for a tentative parcel map to subdivide its mobilehome park for
3 condominium purposes, TPM No. 27014 ("Application") consistent with the principles articulated
4 in the Opinion on or before the date to make and file a return to this Writ.

5 **YOU ARE FURTHER COMMANDED** to make and file a return to this Writ within
6 ninety (90) days of issuance of this Writ, setting forth what you have done to comply.

7 The Court will retain jurisdiction over the Petition and enforcement of this Writ.



8 OCT 26 2010

9 John A. Clarke

Kelly Encinas, Clerk

10 By [Signature], Deputy Clerk

11
12 **APPROVED AS TO FORM AND CONTENT**

13 DATED: October 2, 2010

GILCHRIST & RUTLER

14
15 By: [Signature]

16 Thomas W. Casparian
17 Attorneys for Petitioner Carson Harbor
18 Village, Ltd.

19 DATED: October 2, 2010

ALESHIRE & WYNDER, LLP

20
21 By: [Signature] - for -

22 William W. Wynder
23 Attorneys for Respondent City of Carson
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SUBJECT TO REPEAL BY PROPOSITION 22.

GOVERNMENT CODE
Title 7. Planning and Land Use
Division 2. Subdivisions
Chapter 2. Maps
Article 1. General Provisions

GO TO CALIFORNIA CODES ARCHIVE DIRECTORY

Cal Gov Code § 66427.5 (2011)

§ 66427.5. Displacement of nonpurchasing residents

At the time of filing a tentative or parcel map for a subdivision to be created from the conversion of a rental mobilehome park to resident ownership, the subdivider shall avoid the economic displacement of all nonpurchasing residents in the following manner:

(a) The subdivider shall offer each existing tenant an option to either purchase his or her condominium or subdivided unit, which is to be created by the conversion of the park to resident ownership, or to continue residency as a tenant.

(b) The subdivider shall file a report on the impact of the conversion upon residents of the mobilehome park to be converted to resident owned subdivided interest.

(c) The subdivider shall make a copy of the report available to each resident of the mobilehome park at least 15 days prior to the hearing on the map by the advisory agency or, if there is no advisory agency, by the legislative body.

(d)

(1) The subdivider shall obtain a survey of support of residents of the mobilehome park for the proposed conversion.

(2) The survey of support shall be conducted in accordance with an agreement between the subdivider and a resident homeowners' association, if any, that is independent of the subdivider or mobilehome park owner.

(3) The survey shall be obtained pursuant to a written ballot.



(4) The survey shall be conducted so that each occupied mobilehome space has one vote.

(5) The results of the survey shall be submitted to the local agency upon the filing of the tentative or parcel map, to be considered as part of the subdivision map hearing prescribed by subdivision (e).

(e) The subdivider shall be subject to a hearing by a legislative body or advisory agency, which is authorized by local ordinance to approve, conditionally approve, or disapprove the map. The scope of the hearing shall be limited to the issue of compliance with this section.

(f) The subdivider shall be required to avoid the economic displacement of all nonpurchasing residents in accordance with the following:

(1) As to nonpurchasing residents who are not lower income households, as defined in *Section 50079.5 of the Health and Safety Code*, the monthly rent, including any applicable fees or charges for use of any preconversion amenities, may increase from the preconversion rent to market levels, as defined in an appraisal conducted in accordance with nationally recognized professional appraisal standards, in equal annual increases over a four-year period.

(2) As to nonpurchasing residents who are lower income households, as defined in *Section 50079.5 of the Health and Safety Code*, the monthly rent, including any applicable fees or charges for use of any preconversion amenities, may increase from the preconversion rent by an amount equal to the average monthly increase in rent in the four years immediately preceding the conversion, except that in no event shall the monthly rent be increased by an amount greater than the average monthly percentage increase in the Consumer Price Index for the most recently reported period.

HISTORY:

Added Stats 1991 ch 745 § 2 (AB 1863). Amended Stats 1995 ch 256 § 5 (SB 310); Stats 2002 ch 1143 § 1 (AB 930).

NOTES:

Amendments:

1995 Amendment:

(1) Substituted "from the conversion of a rental mobilehome park to resident ownership" for "using financing or funds provided pursuant to Chapter 11 (commencing with *Section 50780*) of *Part 2 of Division 31 of the Health and Safety Code*" in the introductory clause; (2) added subds (a)-(d); and (3) redesignated former subds (a) and (b) to be subds (d)(1) and (d)(2).

2002 Amendment:

(1) Added subds (d)(1)-(d)(5); (2) redesignated former subd (d) to be subd (e); and (3) substituted "four-year" for "four year" at the end of subd (e)(1).

Note



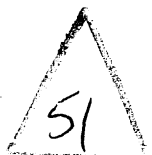
MEMORANDUM OF UNDERSTANDING
Carson Harbor Village Mobile Home Park Conversion
July 11, 2007

THIS MEMORANDUM OF UNDERSTANDING is entered into in connection with the conversion to resident ownership ("Conversion") of the Carson Harbor Village Mobile Home Park ("Park"). In consideration of the agreement of Carson Harbor Village, Ltd. ("Park Owner") to continue the scheduled hearing before the City Council for the City of Carson to July 31, 2007 and the agreement of the Carson Harbor Village Homeowners' Association ("Association") to support the Conversion, all as more particularly described herein, the Park Owner and the Association hereby agree to the following with respect to Conversion matters:

1. Purchase Price Discount. Provided the City of Carson irrevocably approves the tentative tract map pertaining to the Conversion filed by the Park Owner by not later than July 31, 2007 and such tentative tract map approval is not subjected to legal challenge (collectively, "City Tentative Tract Map Approval") and the City of Carson irrevocably approves the final tract map pertaining to the Conversion and such final tract map approval is not subjected to legal challenge (collectively, "City Final Tract Map Approval") (the City Tentative Tract Map Approval and the City Final Tract Map Approval are collectively referred to herein as "City Tract Map Approval"), each owner of a mobilehome in the Park ("Home Owner") shall be entitled to a ten percent (10%) discount off the purchase price for the space occupied by their mobilehome ("Unit Purchase Price"), provided such Home Owner signs and delivers to the Park Owner a deposit receipt/sales contract and related escrow instructions (collectively, "Purchase Documents") within sixty (60) days ("Initial 60-day Period") after the issuance and delivery to the Home Owner of the California Department of Real Estate "final public report" pertaining to the sale of condominium interests in the Park ("Final Public Report"). In the event a Home Owner fails to sign and deliver the Purchase Documents within the Initial 60-day Period but signs and delivers the Purchase Documents within the next sixty (60) day period immediately following expiration of the Initial 60-day Period, then such Home Owner shall be entitled to a five percent (5%) discount off the Unit Purchase Price. Notwithstanding the foregoing, application of such discounts to a Unit Purchase Price shall be contingent upon the close of escrow for the space being purchased by the Home Owner.
2. Additional Moderate Income Rent Increase Protections. Provided City Tract Map Approval is granted, each Home Owner who is moderate income, as defined in Section 6932 of Title 25 of the California Code of Regulations, shall have their monthly base rent increased over a six (6) year period to market rent, instead of the increase over a four (4) year period to market rent as provided under Government Code Section 66427.5(f)(1). In the event, within the first three (3) years of such 6-year period, a moderate income Home Owner subsequently

ORIGINAL

EXHIBIT "4"



qualifies as low income (as defined under Section 6932 of Title 25 of the CCR), then Park Owner agrees that up to but not exceeding the first thirty (30) of such moderate income Home Owners, who subsequently qualify as low income (under Section 6932) within such 3-year period, shall be eligible to have the then current monthly base rent paid by such Home Owner at the time such Home Owner subsequently qualifies as low income to be subject to the restrictions on lower income monthly base rent increases as described under Section 66427.5(f)(2) of the Government Code.

3. Park Upgrades and Improvements. Within one (1) year following the date of the City Final Tract Map Approval ("Final Tract Map Approval Date"), the Park Owner agrees to complete the work and improvements as described in paragraphs 1, 2 and 5 of the Carson Harbor Village Special Park Improvements list which is attached hereto under Exhibit A and made a part hereof ("Park Improvements List"). Within two (2) years following the Final City Tract Map Approval Date, the Park Owner agrees to complete the work and improvements as described in paragraphs 3 and 4 of the Park Improvements List. Notwithstanding the foregoing, (i) the completion dates for such work and improvements shall be subject to extension caused by force majeure events and any unusual delays in obtaining applicable permits and licenses required by governmental authorities, and (ii) performance of the work and improvements described under paragraph 2 of the Park Improvements List shall be subject in all respects to California Department of Fish and Game regulations and approvals. Prior to commencing the work and improvements described under the Park Improvements List, the Park Owner agrees to submit to the City of Carson and the Association a detailed, itemized schedule of such work and improvement, including start dates, unit spaces (identified by number) upon which the work and improvements described in paragraphs 1 and 5 will be performed, and such other reasonable details regarding performance of the work and improvements and allocation of costs.
4. Association Support of the Conversion. A majority of the members of the board of directors of the Association and officers of the Association shall recommend favorable consideration of the Conversion based upon the conditions contained herein. Such board members and officers shall conduct written polling of the Home Owners to determine the level of Home Owners' favorable consideration of the Conversion based upon the conditions contained herein and provide copies of such polling results to the Park Owner. Prior to conducting such polling, however, such board members and officers shall recommend to the Home Owners favorable consideration of the Conversion based on the conditions contained herein. In the event such polling of the Home Owners evidences favorably consideration for the Conversion by a majority of the Home Owners participating in the polling, then the Association shall (i) recommend to the City Council in writing that the City Council approve the Conversion, (ii) sign documentation as reasonably requested by the Park Owner evidencing the Association's recommendation of favorable consideration of the Conversion, and (iii) use its best efforts to meet with each member of the City Council prior to the July 31,



2007 City Council hearing date to make the recommendations described in clause (i) above.

5. Increased Fixed Purchase Price Period. Provided City Tract Map Approval is granted, Owner shall fix the Unit Purchase Price for a period of six (6) months for each Home Owner. Such 6-month period shall be in lieu of such 90-day period as provided under Section 66459 of the Government Code. Such 6-month period shall commence as of the date that the Purchase Documents have been delivered to the Home Owners and the Final Public Report has been issued.
6. Resolutions of Approval. Provided City Tract Map Approval is granted, the Park Owner shall abide by the Resolutions of the City Council of the City of Carson Approving, Subject to Conditions, Tentative Parcel Map No. 27014 for the Residential Conversion of the Park, so long as such resolutions and conditions are substantially the same as the Resolutions of the Planning Commission of the City of Carson Approving Tentative Parcel Map No. 27014 for the Residential Conversion of the Park and Conditions of Approval, a copy of which is attached hereto as Exhibit B.
7. Rent Increase Application. Provided the City Tentative Tract Map Approval is granted, the Park Owner agrees to the following from the date the City Tentative Tract Map Approval is granted up to and including the date of the City of Carson's hearing regarding the City Final Tract Map Approval: (i) to hold in abeyance Park Owner's filing of its rent increase application pertaining to the Park ("Rent Increase Application"), and (ii) to not exercise Park Owner's rights to require that a hearing on the Rent Increase Application be held within the time period required by applicable statutes and regulations (clauses (i) and (ii) above collectively referred to as the "Rent Increase Application Limitations"). If the City Tentative Tract Map Approval is not granted, the Rent Increase Application Limitations shall not apply and Park Owner shall have the right to exercise all of its rights regarding the Rent Increase Application and with respect to time requirements regarding a hearing date and otherwise. If the City Final Tract Map Approval is granted, the Park Owner agrees to withdraw the Rent Increase Application and to waive any further rights to the rent increases requested thereunder. If the City Final Tract Map Approval is not granted, the Rent Increase Application Limitations shall immediately terminate and the Park Owner shall have the right to exercise all of its rights regarding the Rent Increase Application and with respect to the time requirements regarding a hearing date and otherwise.
8. Mobilehome Residency Law. Park Owner acknowledges and agrees that after the Conversion all Home Owners who continue to rent will maintain occupancy rights subject to any lease or written rental agreement, the "Mobilehome Residency Law" (described under California Civil Code Section 798 et seq.) and California law, as applicable.

JJ
RBM



9. Membership Voting Rights. As the "Declarant" under a certain Declaration of Establishment of Covenants, Conditions and Restrictions ("CC&Rs"), which is to be prepared by Park Owner and recorded in connection with the Conversion, pertaining to the maintenance, operation and management of the common areas and certain other matters of the Park, the Park Owner agrees, provided City Final Tract Map Approval is granted, that language substantially identical to the following language (as described under Section 2792.18 of Title 10 of the California Code of Regulations) will be set forth in the CC&Rs pertaining to membership voting matters:

"(a) The Association has two (2) classes of voting membership:

(1) "Class A Members" means all Owners (other than Declarant) who shall be entitled to one (1) vote for each Unit owned.

(2) "Class B Members" means the Declarant, whose voting rights shall be the same as for Class A Members, except that Declarant shall be entitled to three (3) votes for each Unit owned by Declarant.

(b) Class B Membership irreversibly ceases and converts to Class A Membership on the first to occur of the following:

(1) The total outstanding votes held by Class A Members equals the total outstanding votes held by Class B Members (as tripled); or

(2) On the second (2nd) anniversary of the first conveyance of a Condominium Interest in the most recent phase of the project.

(c) If membership approval of a prescribed majority of the voting power (other than Declarant) is required the following rules apply:

(1) If both Class A Members and Class B Members exist, the required vote is a bare majority of the voting power of the Class B Members and the prescribed bare majority of the voting power of the Class A Members; or

(2) After conversion to all Class A Memberships, the required vote is a majority of the total voting power of the Association and the prescribed majority of the total voting power of Members other than Declarant."

10. Further Documents and Agreement. The Association and the Park Owner shall execute such documents and agreements and take such further action as shall be reasonably necessary in order to implement and carryout the provisions and terms hereof.

[Signatures on following page]

JBJ
RBM



Carson Harbor Village, Ltd.,
a California limited partnership

Carson Harbor Village Homeowners'
Association

By: Goldstein Properties, Inc.,
A California corporation

By: RBM Meredith
Name: Keith B Meredith
Title: Pres, CHV-HOA

By: James Goldstein
Name: James Goldstein
Title: President

RBM
55

EXHIBIT A

**CARSON HARBOR VILLAGE
Special Park Improvements
Through Conversion To Resident Ownership**

1.	TREES – Trees will be trimmed and shaped in both the common areas and in resident spaces. Work will also include stump removal.	\$44,600.00
2.	WETLANDS – Removal of blackberry bushes, brush, undergrowth and debris in wetlands with the objective of increasing water flow.	\$44,000.00
3.	ALBERTONI WALL – Replacement of 300 feet of lineal wall, to include concrete, stucco, brick and paint. This will include the removal of tree roots.	\$149,500.00
4.	STREETS – Repair and maintenance to include removal, grading, and paving of 13,662 sq. ft. of asphalt. Installation of three speed bumps. Sealing, re-striping and repainting of 100,000 sq. ft. of asphalt. Curb and gutter removal and replacement in designated areas.	\$100,500.00
5.	DRIVEWAYS – Repair cracked driveways in designated spaces.	\$11,400.00
6.	LIGHTING – Street lights installed on Albertoni between Avalon Boulevard and the western end of the Park, and along Avalon in front of the Park.	\$180,000.00
	TOTAL IMPROVEMENTS	\$530,000.00

JH
RAM
56

Keith Meredith
President, CHV-HOA
17701 s. Avalon, #124
Carson, CA 90746

25 July 2007

Mayor Jim Dear
701 e. Carson St.
Carson, CA 90745

Dear Mr. Mayor,

Here is a package from the Home Owners Association of Carson Harbor Village Mobile Home Park. This will hopefully provide information useful to you and the other City Council members concerning the Hearing of the Appeal of the Conversion Application Denial on Monday, July 30th.

The HOA conducted an extensive information and education effort in CHV, leading to a vote in the park on whether residents supported the Conversion to a "resident owned park". Two meetings were conducted, presenting the enclosed 30-page handout, which described the conversion process, pros-and-cons of the conversion, how the conversion would effect people who might choose to buy vs. rent, how it would affect residents as it pertained to their income level, and describing the incentives from the park owner, as negotiated by the HOA and representative from the City of Carson. Representing the City of Carson at each resident meeting were Sheri Repp-Loadsman, Ken Freschauf, and Chris Ketz. Their efforts in aiding the residents in making an informed decision were extremely valuable.

An additional meeting was conducted in the Spanish language (with the PowerPoint presentation translated into Spanish) for residents who felt more comfortable learning about the conversion in Spanish. The HOA's retained attorney, Stuart Parker, attended all three conversion meetings, providing legal advice and opinion to the residents.

Approximately 200 residents picked-up their "conversion ballots" at these three resident meetings. As agreed to in the Memorandum Of Understanding negotiated between the HOA Board and the park owner, it was recommended to the residents favorable consideration of the Conversion based upon the conditions and incentives as negotiated, and presented to the residents.

For residents who did not attend the meetings, HOA Board members went door-to-door in the park, distributing the presentation package and ballots to those residents. Another 156 packages and ballots were distributed in this manner. Enclosed is a sample ballot for the resident to express their support of the Conversion.

The residents were given a week to digest the information, and discuss the conversion with their friends and neighbors, before the collection of ballots began. Additional information was given to the residents by other concerned residents. Enclosed is a spreadsheet delivered to all residents, detailing possible lot prices in the future, based on the general lot prices as determined from a real estate appraisal contracted by the City in June 2007.

The actual vote (by secret ballot) took place at the CHV Clubhouse, over the weekend of July 20-22, with a ballot box donated from the City Clerks Office as the official receptacle of the ballots (the City Clerk's advice on conducting voting was also extremely helpful). The ballot box was watched by three people at all times, and was secured overnight at the LASD Carson Station, in the Watch Commander's Office. Enclosed is a letter to Capt Rodgers asking for assistance, and photocopies of the drop-off and pick-up sheet, signed and initialed by the attending Watch Commander, HOA Board Member Luris Bell, volunteer CHV resident Roger Branch, and myself.

On Sunday, July 22nd, Wanda Higaki from Carson's City Clerk Office conducted the vote count in the CHV Clubhouse, and she felt it was performed in a fair and professional manner. Over a dozen CHV residents witnessed the entire vote counting process. Enclosed is the City Clerk Office certification of the results.

EXHIBIT "5"



● Page 2

*copy for
Wynder
ZBM*

July 26, 2007

Finally, here are the voting results:

Support Conversion: 101 (35% of counted votes)

Not Support Conversion: 187 (65% of counted votes)

So, of the 418 eligible spaces, about 70% of the park voted, and by almost 2-to-1, the residents who voted do not support the Conversion.

The HOA Board feels that the residents have been fully informed on the Conversion process, and that this vote result is an accurate and fair representation of the current level of support for Conversion among the residents.

We hope the City Council takes this information into account in its decisions.

Please feel free to contact me with any questions or comments.

Sincerely,



Keith Meredith
President, Carson Harbor Village Home Owners Association
818-370-4706

58

Estimated Purchase Price of Lots Using City's Appraisal
vs
Possible "Markup" by Mr. Goldstein's Appraiser

LOWEST LOT APPRAISAL			
City's Appraisal	Possible End Appraisal*		
	Add 20%	Add 30%	Add 40%
\$160,000	\$32,000	\$48,000	\$64,000
Total lot price W/possible markups	\$192,000	\$208,000	\$224,000
Less 10% if purchased 1st 60 days	-\$19,200	-\$20,800	-\$22,400
Total of Lowest Cost for Lots	\$172,800	\$187,200	\$201,600

TYPICAL LOT APPRAISAL			
City's Appraisal	Possible End Appraisal*		
	Add 20%	Add 30%	Add 40%
\$175,000	\$35,000	\$52,500	\$70,000
Total lot price W/possible markups	\$210,000	\$227,500	\$245,000
Less 10% if purchased 1st 60 days	-\$21,000	-\$22,750	-\$24,500
Total of Typical Cost for Lots	\$189,000	\$204,750	\$220,500

HIGHEST LOT APPRAISAL			
City's Appraisal	Possible End Appraisal*		
	Add 20%	Add 30%	Add 40%
\$190,000	\$38,000	\$57,000	\$76,000
Total lot price W/possible markups	\$228,000	\$247,000	\$266,000
Less 10% if purchased 1st 60 days	-\$22,800	-\$24,700	-\$26,600
Total of Highest Cost for Lots	\$205,200	\$222,300	\$239,400

*Based on statements that the lot prices will likely increase, made by City of Carson Representatives

SAMPLE

CARSON HARBOR VILLAGE
HOME OWNERS ASSOCIATION

OFFICIAL CONVERSION BALLOT

For All Residents of Carson Harbor Village

**DUE SUNDAY, JULY 22, 2007, BY 12 NOON
CHV CLUBHOUSE**

Mark an X in the square of your choice.

**Given the incentives reached in the negotiations
between the Park Owner and the CHV-HOA, do
you support the Conversion?**

YES

NO

SAMPLE

DO NOT SIGN THIS BALLOT



2012 BELL
CARD MEMBER

MOBILEHOME PARK RENTAL
REVIEW # 10763

10-217-1567
HOME



310-880-
(C) 0763

IVIC PLAZA DR., SUITE 200
BOX 6234
CARSON, CALIFORNIA 90749

(310) 233-4800
FAX: (310) 233-4832

Keith Meredith
President, CHV-HOA
17701 S. Avalon, #124
Carson, CA 90746

Capt Rodger
LA Sheriff Dept
Carson Division

Sir;

The Home Owners Association is conducting a voting in Carson Harbor Village this weekend, July 20-22, 2007.

We would like to secure the ballot box for our voting in the offices of the LASD Carson Division for overnight storage.

We would like to drop-off and pick-up the ballot box on these days and times:

Drop-Off	Friday, July 20	10:30 pm	- Ballots	
Pick-Up	Saturday, July 21	09:30 am	"	Zymkowitz
Drop-Off	Saturday, July 21	05:30 pm	re-vote	LT. ORLESBY
Pick-Up	Sunday, July 22	07:30 am	Ballots	LT. RIVERO

These Members of the Board of the Home Owners Association are allowed to drop-off and pick-up the ballot box:

only
these
can
p/u

Keith Meredith
Sandi Pinio
Joanne Swan
Michael Seale
Luris Bell
Marge Folsom
Juan Guillen
Eloise Hawley
Jose Ponce

Perhaps you could have them sign their names and date on this letter when they drop-off and pick-up the ballot box.

Thank you for all your efforts,

Keith Meredith
President, CHV-HOA



07-20-07 2220 'KS.

BALLOTS RECEIVED BY SGT. J. WADSWORTH

[Signature]

FROM: RB Merrett LFB RFA

07-21-07 0945

BALLOT BOX RELEASED BY A/LT. M. ZIMMEL

RECEIVED BY KEITH MERRETT RB Merrett LFB RFA

7-21-07 1538 W. Oglesby

[Signature]

07-22-07 0747

Sgt. Hummel

Received RB Merrett LFB RFA



L. Sue Loftin, Esq.
Josephine E. Lewis, Esq.
Avneet Sidhu, Esq.
Robert Grabo, Esq.

5760 Fleet Street, Suite 110
Carlsbad, California 92008

07 JAN -8 AM 9:00 tel 760.431.2111
fax 760.431.2003
ENGINEERING SERVICES DEPT.

Jon P. Rodrique, Esq., Of Counsel

www.loftinfirm.com
sloftin@loftinfirm.com

Client/Matter Number:
RV-300

Attorneys at Law

TO: Residents of Carson Harbor Village Mobilehome Park
FROM: L. Sue Loftin, Esq.
Re: Tenant Impact Report
Date: January 3, 2007

DISTRIBUTION OF TENANT IMPACT REPORT ("TIR")

To assist you in understanding the process, we have sent one copy of the TIR in English and one copy of the TIR in Spanish (REPORTE DE IMPACTO AL INQUILINO). The basic points are as follows:

- No will be evicted.
- Each person has the right to *choose* whether they want to *purchase* the condominium unit (space with common area) or to continue to *rent* the space on which their mobilehome is located.
- Low Income households are households that make at or below the amount on the chart below for the number of persons in the household:

Household Size (# of persons in household)	1	2	3	4
Income must be at or below	\$38,800	\$44,350	\$49,900	\$55,450

# de Personas por Familia	1	2	3	4
Ingresos deben ser igual o menos de	\$38,800	\$44,350	\$49,900	\$55,450

► *State Rent Control increase will be CPI but not to exceed the average of the prior 4 years increases:*

Calculation for maximum rent increase:

YEAR	2003	2004	2005	2006	4-Year Average
Base Rent Increase	\$0.00	\$19.22	\$0.00	\$8.73	\$6.99

Actual annual rent increase will be CPI, but cannot be greater than \$ 6.99.

- Non-Low Income Households have a different rent formula than stated above. Non-low income households will be raised to market rent over 5 rent increase (4 years) based upon a market rent appraisal.
- THERE ARE NO PASSTHROUGHS UNDER STATE RENT CONTROL.

WATCH FOR THE GENERAL MEETING ANNOUNCEMENT
JANUARY MEETING WILL BE ABOUT RENT & THE PROTECTIONS FOR THE NON-BUYERS.

C:\Documents and Settings\CKetz\Local Settings\Temporary Internet Files\OLK3C4\TIRC\CoverLtr1-3-7.doc



TENANT IMPACT REPORT

CARSON HARBOR VILLAGE

December 20, 2002, revised (October 2006)

Section 1. Purpose of Tenant Impact Report ("TIR"):

This Tenant Impact Report ("TIR") is being prepared pursuant to California Government Code section 66427.5 ("66427.5"). The purpose of this TIR is to explain the protections afforded to those Resident Households that elect not to purchase a condominium interest in **Carson Harbor Village ("Park")**, located at 17701 South Avalon Blvd., City of Carson, County of Los Angeles, State of California. All Resident Households¹ will be afforded the opportunity to either i) buy the space on which their mobilehome is situated or ii) continue to rent the space on which their mobilehome is situated. Further, if a Resident Household elects to continue to rent the space on which their mobilehome is situated, then the rent increases will be set in accordance with the provisions of 66427.5 and the Mobilehome Park Residents Assistance Program ("MPROP") regulation 8020.

1.1 Description of Change of Use: Whenever a mobilehome park is converted to another use, the Subdivision Map Act, found in the California Government Code, requires the entity which is converting the park to file a report on the impact that the conversion to another use will have on the Residents and occupants of the park.

- (a) Change of Use Resulting in Resident Removal from the Property: Historically, and in some instances today, the impact is that the conversion to another use means closure of the park in connection with preparing the property for a use other than for mobilehomes. This necessitates the vacation of property by the residents. This is NOT what is occurring at the Park. The Park will remain a manufactured housing community, with the existing Residents having the right to either buy their condominium unit² or to remain and rent their condominium unit.

¹ "Resident Household" or "Resident Households" mean any person(s), entity, or group of person(s) who own a mobilehome in Carson Harbor Village on the date of the issuance and delivery of the Final Public Report issued by the California Department of Real Estate. Please note that this definition does not mean the same as "Resident" or Residents" as defined in Section 1.2 herein.

² "Condominium Unit" means the airspace unit which is defined as 1' below grade and 35' above grade, with the lateral and horizontal planes demarked by the lot lines established on the ground [in other words, the space the Resident is currently occupying], plus 1/420th fee simple ownership of the common area and facilities and 1 membership in the Homeowners' Association to be formed as part of the entitlement process. For those who select to remain renters, this means that those households will continue to rent the same space they were renting prior to the conversion of the Park.



- (b) Change of Use to Remain A Mobilehome Park: While conversion of a rental mobilehome park to a Resident-owned mobilehome park is identified as a change of use under California law, a more accurate definition would be a change of method of ownership. The Park is not being closed and the Residents are not vacating the property, but rather, the Residents have available to them additional options which were not available before the conversion. The Residents will be able to either purchase their individual spaces and a share in the common area and facilities from the Owner, and participate in the operation of the Park through a Homeowners' Association, or continue to rent their individual spaces. As detailed below, the conversion of the Park will result in neither actual nor economic displacement of its Residents.

- (c) Applicable Code Section for 1.1(b), Government Code Section 66427.5: The State of California recognizes the substantial difference between the change of use which results in the closure of a mobilehome park from the change of use by changing the method of ownership by the implementation of different State statutes applicable to each type of change of use. For all purposes hereunder, Government Code section 66427.5 controls for purposes of determining what rights the non-purchasing Residents will have after the conversion is completed.

1.2 Definition of Resident(s):

- (a) Categories of Resident Households within the Park: There are two (2) categories of Residents within the Park, based on the income of each individual household: (1) non-low income and (2) low income households. The greatest protections are given to the low income households. The income limits are based on the county median income and the household size. To qualify as a low income household, the following income limits were established for calendar year 2006:

Household Size # of Persons	1	2	3	4	5	6
Income Must be at or Below:	\$38,800	\$44,350	\$49,900	\$55,450	\$59,900	\$64,300

- (b) Resident or Resident(s): As used herein, a "Resident" or "Residents" is any person who is a permanent resident of the Park on the date the application for conversion, including without limitation this Tenant Impact Report, is heard by the Carson Planning Commission. A Resident(s) of



the Park is a person, or persons, who (i) has his or her name on the Title to the mobilehome; (ii) lives in the home as his or her permanent residence; and (iii) has been approved as a tenant under the Mobilehome Residency Law and all other applicable City, County and State laws, ordinances, regulations, or guidelines.

- 1.3 **Description of the Property:** The Park was constructed in approximately 1970 and is a four hundred twenty (420)-space "Open" Park (no age restriction applies), situated on approximately sixty-four (64) acres. The fenced Park has wide asphalt streets with gutters, green belts for open space, and all utilities are underground. The common area contains a Clubhouse with a Kitchen, Billiard Room, Office, Jacuzzi, Exercise Room, Auditorium with Stage, and Swimming Pool. All of the homes are at least doublewides.

Section 2. Residents' Current Position/Rights:

- 2.1 **Current Occupancy:** Currently, a small number of the Residents reside in the Park on leases ("Leases"). In excess of ninety-five percent (95%) of the Resident occupants reside in the Park on a month-to-month written rental agreement ("Rental Agreement").

For those Resident Households who are on a one (1)-year or month-to-month tenancy, the City of Carson Rent Control Ordinance currently regulates the rent increases.

- 2.2 **Residents' Rights:** In addition to the terms of the Leases and Rental Agreements, the tenancy rights of Residents residing in the Park are governed by California Civil Code section 798 et seq. ("Mobilehome Residency Law"), other applicable California statutory and case law, and the Carson Rent Control ordinances.

Section 3. Park Owner's Rights Upon Conversion:

Right to Change Use: The Park owner, pursuant to the Government Code and Mobilehome Residency Law, has the right to terminate all existing tenancies and require the Residents to vacate the property and go out of business or change the use of the property, providing all applicable laws are followed. The Park Owner, however, through this TIR, agrees to waive the right to terminate any tenancies and existing Leases or require that the Residents vacate the property. **Under this scenario, non-purchasing Residents will NOT be required to vacate their space and, as described in more detail in section 4 below, will have occupancy rights subject to the Lease or Written Rental Agreement, Mobilehome Residency Law, and California law, as applicable. Therefore, there will be no actual eviction displacement due to the conversion and Resident-purchase**



of the Park.

Section 4. No Actual nor Economic Displacement:

- 4.1 **Impact of Conversion:** Under California Government Code and the Mobilehome Residency Law, the converter is required, as a condition of conversion, to prepare a TIR to set forth the impact of the conversion on the Resident Households who elect not to purchase the space on which their mobilehome is situated. Further, the rental increase amount which may be charged by the owner of the space subsequent to the conversion is specified and is mandatory in 66427.5. As a result of the conversion, there will be no physical change of use. The property before and after conversion will be operated as a mobilehome park. The difference is that instead of an investor/operator owner, the property will be operated by a Homeowners' Association.
- 4.2 **Rental Rate Increases: No Economic Displacement:** The economic displacement of non-purchasing Residents shall be mitigated by allowing the Residents who select not to purchase the space on which their home is situated to continue their tenancy in the Park under the *Subdivision Map Act* rental increases restrictions. See, *Govt. Code section 66427.5, ("Map Act Rents")*. The *Map Act Rents* are based upon two (2) formulas: one formula for non-low income permanent Residents and one formula for low income permanent Residents, as defined in section 50079.5 of the Health & Safety Code.
- (a) **Non-Low Income Resident Households:** For the non-low income Residents, the base rent may be increased over a four (4)-year period to market rent. Base rent is defined as that rent which is in effect prior to the Conversion Date; however, in this instance the Owner has agreed to a later date defined in section 4.3 as the *Map Act Rent Date*. Market Rent is established by an appraisal "conducted in accordance with nationally recognized appraisal standards." The reason the rents are raised to market over a four (4)-year period is to allow the adjustment of rents which under rent control have remained artificially low to occur gradually. This protection for the otherwise financially advantaged Resident Households also provides time for those households to plan for the rental adjustment to market.
- (b) **Low Income Resident Households:** The State has emphasized its goal of protecting housing for the low income population of California in this code section. The low income households receive a guarantee of reduced rental increases beyond that which any local jurisdiction can enact under the current rent control cases and laws of California. Low income Residents are protected for the entire term of their tenancy. The base rental increase is the average increase for the previous four (4) years but



shall not exceed the Consumer Price Index ("CPI") average monthly percentage increase for the most recently reported period. To qualify as a low income permanent Resident, the Resident must provide the same information and confirmation of that information as though that Resident were applying for a MPROP loan each year, and the qualifying guidelines will be the same as that program. In the event that program is no longer in existence, the last application documents will become the permanent documents, and the qualifying income levels will be those established by either the State of California Housing and Community Development Department or the United States Housing and Community Development Department [California HCD or Federal HUD], at the election of the owner of the space.

- (c) **Effective Date of Map Act Rents:** The effective date of the *Map Act Rents* shall be the "Map Act Rent Date" as defined in section 4.3 herein.

As part of the distribution of the Final Public Report, the Leases and qualifying information shall be simultaneously distributed. The Residents shall have ninety (90) days within which to make their election to purchase or to execute the new Leases. If the Resident does not want to execute a Lease but does want to continue renting his/her space, then the Resident may do so under a month-to-month or one (1)-year written rental agreement. *Without regard to the type of rental document, if any, executed by a qualified household, the MAP ACT Rents shall be in place for that household.*

- 4.3 **"Conversion Date":** Conversion Date is defined as the date the Owner offers the Units for sale or for lease. At that time each household shall receive the Final Public Report and all documents and financial information approved by the DRE, including without limitation, the Articles and Bylaws of the Association, Enabling Declaration ("CC&Rs"), Deposit Receipt/Purchase Agreement, Escrow Instructions, Preliminary Title Report, Natural Hazards Disclosure, B&P Park Condition Disclosure, Sample Loan Documents, HOA Budget, HOA Reserve Study, Proposed Lease and/or Written Rental Agreement, Low Income Application, Price and Rental Rates. Notwithstanding the foregoing and for the sole purpose of implementing section 4 of this Tenant Impact Report, the Conversion Date shall be defined as *Map Act Rent Date* and shall occur after the date of the issuance and delivery of the Final Public Report and upon sale of the first unit.
- 4.4 **No Actual Displacement:** The Resident occupant will be given the choice to buy the space on which their mobilehome is situated or to continue their tenancy in the Park under this Tenant Impact Report. To receive the protections provided herein and under the California Subdivision Map Act, the Resident must have



been a Resident, as defined in section 1.2(b). Further, the Owner has specifically waived its right to terminate tenancies. (See section 3.) Therefore, there will be no actual eviction of any Resident or relocation of their home by reason of the Park conversion to Resident ownership.

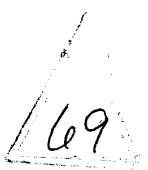
- 4.5 **Conclusion: No Actual Nor Economic Evictions:** The legislative intent behind relocation mitigation assistance as contained in Government Code section 66427.4 was to ensure that Residents who were being actually evicted due to the conversion of a park to another use were protected, and that a plan was submitted and approved to ensure that protection. The purpose for the more typical impact report is to explain how and when the Residents have to vacate the property; and, what financial assistance the Residents would be receiving to assist in the costs of removing the home and other personal effects. However, under the present conversion, which will not result in another use and vacation of the property, the purpose of this Tenant Impact Report is to explain the options of the Residents regarding their choice to purchase or to rent their space. The Park Owner has agreed, by this TIR, to waive its right to terminate existing tenancies and Leases upon the conversion (see section 3 above), and any Resident who chooses not to purchase a "Condominium Interest" (defined below) may reside in the Park as set forth in section 3 and section 4.2 above. **Thus, there will be no economic displacement based on the *Map Act Rents* nor actual eviction of any Resident because of the conversion, and therefore, no relocation mitigation is required.**

Section 5. **Benefits of Conversion:**

The purpose of the conversion of a park from a rental park to a Resident-owned park is to provide the Residents with a choice. The Residents may either choose to purchase an ownership interest in the Park, which would take the form of a PUD/Condominium Interest, or continue to rent a space in the Park, thereby allowing the Residents to control their economic future. The conversion provides the Resident occupants the opportunity to operate and control the Park. Since the new owners of the Park will not be motivated to make a profit, but rather are motivated to ensure the best possible living conditions at the most affordable rates, payable through the Homeowners' Association Dues, directly or through rent, both buyers and renters benefit from the conversion.

Section 6. **PUD/Condominium Interest: Ninety (90)-Day Right of First Refusal:**

- 6.1 **PUD/Condominium Interest:** The conversion provides the Residents with the opportunity to acquire an ownership interest in the Park, which certainly would not otherwise occur. As stated above, the form of ownership will be a PUD/Condominium Interest. The PUD/Condominium Interest is treated as any other type of real property, with ownership transferred by a grant deed which will



be insured by a policy of title insurance. The front and back lot line boundaries of each PUD/Condominium Interest will be properly marked by a certified Civil Engineer, and specific legal descriptions shall be set forth on a "Condominium Plan" which will be a matter of public record when filed and recorded. Each PUD/Condominium Interest comprises the airspace directly over the current rental spaces, a one-four hundred twentieth (1/420) interest in the Park's common areas, and 1/420th interest in the common area lot, as tenants in common. All PUD/Condominium Interests are held pursuant to the description of general rights and associated factors as set forth in the Articles, Bylaws of the Homeowners' Association, Conditions, Covenants and Restrictions, and California law pertaining to such ownership.

- 6.2 **Right of First Refusal:** As required by California Government Code section 66462, each Resident shall be informed that they have an initial ninety (90)-day right of first refusal period, commencing on the issuance by the California Department of Real Estate and delivery of the "Final Public Report" (the Conversion Date, except as provided in section 4.3), during which each Resident shall have the exclusive right to decide whether or not to purchase a PUD/Condominium Interest or continue to rent his or her space.

Section 7. Legal Notices:

The Residents have received the Notice of Intent to File a Map with the City of Carson and will receive the following notices: Notice of Intent to Convert; Notice of Change of Use; 90-Day Right of First Refusal; Intention to File Application for Public Report; and will also receive all additional required legal notices in the manner and within the time frame required by the state and local laws and ordinances. All prospective tenants have and will receive the Notice to Prospective Tenant(s).

Section 8. Conclusion:

- 8.1 **The above purchase rights and rental protections are being offered only to persons who are defined in section 1.1 herein as Residents in the Park as of the Conversion Date.**
- 8.2 The above described purchase rights, Lease programs, and protections will be offered only if the Park is converted to a Resident-owned mobilehome park. Such programs become effective on the Map Act Rent Date or the Offering Date, which is the date of issuance and delivery of the Final Public Report from the California Department of Real Estate, whichever is the later occurrence.
- 8.3 Upon conversion of the Park to Resident ownership, the current owner of the Park, as well as subsequent owners of PUD/Condominium Interests in the Park,



shall abide by all terms and conditions set forth in this TIR. This TIR is a covenant which encumbers each individual Unit.

8.4 The conversion of the Park from a rental park to a Resident-owned park provides the Residents with an opportunity of choice. Park Residents may choose to purchase a Condominium Interest or continue to rent. The conversion also provides the potential for Residents to enjoy the security of living in a Resident-owned, controlled, and managed Park, whose motivation is not profit, but rather, achieving the best living environment at the most affordable rate.

8.5 **All Residents choosing to continue to rent will have occupancy rights exactly as they have now**, and all existing Leases and/or Rental Agreements will be honored, subject to Government Code section 66427.5, Mobilehome Residency Law, and other California law, as applicable. The protections and programs offered to the Residents are greater than those required by law and are better than the Residents currently have as rent-paying tenants in the Park.



REPORTE DE IMPACTO AL INQUILINO

Parque de Casas Móviles CARSON HARBOR VILLAGE

Diciembre 20,2002, revisado (Octubre 2006)

Sección 1. Propósito del Reporte de Impacto al Inquilino("RII")

Este Reporte de Impacto al Inquilino ("RII") es preparado de acuerdo al Código 66427.5 ("66427.5"). El propósito de este RII es explicar las protecciones que se le ofrecen a las "Familias Residentes" que optan por no comprar un Interés en Condominio en el Parque de Casas Móviles **Carson Harbor Village ("Parque")**, localizado en 17701 South Avalon Blvd., Ciudad de Carson, Condado de Los Angeles, Estado de California,. Todas las Familias Residentes se les ofrecerá la oportunidad de 1) comprar el espacio ("**Espacio**") donde se encuentra su casa construida ("**Casa Construida**" o "**Casa**"), o 2) continuar rentando el espacio en el cual se encuentra la Casa Construida. Además, si la Familia Residente elige continuar rentando el Espacio en el cual su Casa fueron Construida, entonces el alquiler aumentará de acuerdo a los establecidos en el código 66427.5

- 1.1 **Descripción de Cambio de Uso:** Cuando un parque de casas móviles es convertido a otro uso, la Subdivisión de Mapas requiere que la entidad que está convirtiendo el Parque para otro uso presente un informe sobre el impacto que la conversión producirá sobre los "**Residentes**" (como son definidos en la Sección 1.2 (c) abajo y los ocupantes del Parque.

- (a) **Remoción del Residente de la Propiedad como resultado del Cambio** Históricamente, y en algunos caso actuales, el impacto de la conversión a otro uso significa cerrar el parque para preparar el terreno para otro uso que no sea Construcción de Casas Móviles. Esto requiere que los residentes abandonen la propiedad. Esto es lo que NO está ocurriendo en el Parque. El parque continuará como una comunidad the casas construidas con el derecho de los Residentes de comprar su "**Unidad de Condominio**".¹

1 "Familia Residente" o "Familias Residentes" significa cualquier persona(s), entidad, o grupo de persona(s) que sea dueño de una Casa Móvil en el Parque de Casas Móviles Carson Harbor Village el día que se asegure y se entregue el Reporte Público Final emitido por el Departamento Inmobiliario de California. Por favor, es de notar que la definición de "Residente" o "Residentes" como lo define la Sección 1.2 aquí incluida.

2 "Unidad de Condominio" significa la unidad de espacio definidos como 1' por debajo del nivel y 35' por sobre el nivel, con los planos horizontales y verticales demarcados por las líneas establecidas sobre el terreno (en otras palabras, el espacio que ocupa el Residente actualmente) más 1/420th de honorarios simple de dueño de las áreas comunes e instalaciones y 1 membresía en al Asociación de Dueños de Casas que será formado durante el proceso de titulación. Para los que opten por continuar como inquilinos, esto

- (b) El Parque de Casas Móviles continuará como tal después del cambio de uso: Mientras la conversión de un parque de casas móviles en alquiler a un parque de Residentes-dueños de casas móviles es definido bajo la ley de California como cambio de uso, la mejor definición sería cambio de propietario. El Parque no está cerrando y los Residentes no deberán abandonar la propiedad, en cambio, los Residentes tienen opciones adicionales para ellos que antes no la tenían antes del cambio de uso. El Residente tendrá la posibilidad de adquirir su Espacio individual y compartir los espacios comunes y facilidades de los dueños, y participar en la operación del parque a través de la Asociación de Dueños o continuar alquilando su espacio individual. Como es detallado abajo, la conversión del parque no resultará en movimiento ni cargo económico para los Residentes.
- (c) Aplicación del Código Sección 1.1(b), del Código del Gobierno Sección 66427.5: El Estado de California reconoce la substancial diferencia que existe entre el cambio de uso en el cual resultare en el cierre del parque de casas móviles y el cambio de propietario con la implementación de diferentes estatutos de Estado aplicables a cada uno de los tipos de cambio de uso. Para todo propósito, de aquí en adelante, 66427.5 controlará para el propósito de determinar los derechos de los Residentes no-compradores tendrán una vez que la conversión sea completada.

1.2 Definición de Residente(s):

- (a) Categorías de Familias Residentes dentro del Parque: Hay dos (2) categorías de Residentes dentro del Parque de acuerdo a los ingresos de cada familia: (1) no bajo ingreso y (2) familias de bajos ingresos. La mayoría de las protecciones son dadas a las familias de bajos ingresos. Los ingresos están basados en el ingreso medio del condado y el tamaño de la familia. Para calificar como familia de bajos ingresos, los siguientes ingresos fueron establecidos para el año calendario 2006

# de Personas por Familia	1	2	3	4	5	6
Ingresos deben ser igual o menos de	\$38,800	\$44,350	\$49,900	\$55,450	\$59,900	\$64,300

significa que ellos continuarán alquilando el mismo espacio que ellos alquilaban antes que el parque sea convertido.

(c) Residentes o Residente(s): Como es usado, de aquí en adelante, un “Residente” o “Residente(s)” es cualquier persona(s) que sea residente permanente del Parque en la fecha que la aplicación para conversión incluyendo, sin limitación, este Reporte de Impacto al Inquilino es presentada a la Comisión de Planeamiento de Carson. Un Residente(s) del Parque es una persona, o personas, quien (i) tiene su nombre en el título de la Casas Móvil; (ii) viven en la casa como su residencia permanente; y (iii) fueron aprobados como inquilinos bajo la Ley de Residencia de Casas Móviles y toda otra ley aplicable de la Ciudad, el Condado y el Estado, ordenanzas, regulaciones o pautas.

- 1.3 Descripción de la Propiedad: El parque fue construido aproximadamente en año 1970 y tiene cuatrocientos veinte (420) espacios para estacionar, (no se aplican restricciones de edad), situado sobre una superficie de aproximadamente sesenta y cuatro (64) acres. El Parque cercado tiene calles de asfalto anchas con desagüe, espacios verdes abiertos y todos los cables están bajo tierra. El Área Común contiene un Club con cocina, salón de billar, oficina, Jacuzzi, salón de ejercicios, auditorio con escenario y piscina. Todas las casas son por lo menos de doble ancho.

Sección 2. Estado Actual y Derechos de los Residentes:

- 2.1 Estado Actual de Ocupancia: Actualmente, un pequeño porcentaje de Residentes residen con contratos de alquiler (“Contrato de Alquiler”). Más del ochenta (95%) por ciento de los Residentes residen en el Parque con contratos de mes a mes (“Acuerdo de Alquiler”).

Para aquellos que se encuentran bajo contrato de un (1) año o mes a mes la Ordenanza de Control de Alquileres de la ciudad de Carson regula los incrementos de alquileres.

- 2.2. Derechos del Residente: Además de los términos de los Contratos y Acuerdos de Alquiler, los derechos de los Residentes del Parque son regulados por el Código Civil de California Sección 798 et seq. (Ley de Residencia de Casas Móviles), estatutos y casos legales y las ordenanzas de Control de Alquiler de la ciudad Carson.

Sección 3. Derechos de los Dueños Después de la Conversión:

- 3.1 Derecho al Cambio de Uso: El dueño del Parque de Casas Móviles Carson Harbor Village (“el Dueño”), de acuerdo al Código del Gobierno de California y la Ley de Residencia, tiene el derecho de terminar todos los contratos y acuerdos y solicitar a los Residentes a desocupar las propiedades y cerrar el negocio o cambiar el uso de la propiedad, de



acuerdo a las leyes. Pero el Dueño, de acuerdo con este RII, acuerda no hacer uso de los derechos a terminar los contratos de alquiler existentes o requerir de los Residentes que dejen vacantes sus propiedades. **Bajo este escenario, los Residentes que no compren NO se le requerirá que desocupen sus espacios y como se describe abajo en la Sección 4, tendrá los a todos los derechos que el Contrato o Acuerdo de Alquiler Escrito, la ley de Residencia y las leyes de California les otorga. Por lo tanto, no habrá desocupación debido a la conversión y la compra del Parque por los dueños.**

Sección 4. No actual o Desplazamiento Económico

- 4.1 **Impacto de la Conversión:** Bajo el Código del Gobierno de California y la Ley Residencia de Casas Móviles, requiere del que realiza la subdivisión como condición de conversión, que prepare un informe sobre el impacto que causará a las Familias Residentes que elijan no comprar el Espacio donde la Casas Fabricadas están situadas. Además, el aumento del alquiler por parte del Dueño del Espacio después de la conversión está especificado y es mandatorio en 66427.6. como resultado de la conversión no habrá cambio físico del uso. La propiedad antes y después de la conversión será operada como Parque de Casas Móviles. La diferencia es que en vez del dueño inversor/operador, la Asociación de Dueños operará la propiedad.
- 4.2 **Aumentos del alquiler: No desplazamiento económico:** el desplazamiento económico de los Residentes que no compren será mitigado permitiendo a los Residentes que elijan no comprar el Espacio en el que sus Casas están situada, a continuar la tenencia en el Parque bajo el Acta de Mapa de Subdivisión de California. El Acta de Mapas de Alquileres esta basado en dos (2) fórmulas: 1) una fórmula para las familias de no bajos ingresos permanentes y 2) una fórmula para las Familias de Bajos Ingresos permanentes.
- (a) **Residentes de No Bajos Ingresos:** Para las familias de no bajos ingresos, el alquiler básico puede ser incrementado un período de cuatro (4) años de acuerdo al mercado de alquileres. La base del alquiler se define como el alquiler que se encontraba vigente antes de la “Fecha de Conversión”, sin embargo, el Dueño acuerda a una fecha como es definida en la Sección 4.3 como al Fecha Efectiva del Acta de Alquileres. El Mercado de Alquileres está determinado por una evaluación “realizada de acuerdo a los estándares nacionales de evaluación”. La razón que el alquiler será elevado durante un período de cuatro (4) años es para poder ajustar los alquileres gradualmente, que bajo el control de alquileres se mantuvo artificialmente bajos. Esta



protección es para la Familias Residentes financieramente aventajadas para que tengan un plan de ajuste a los incrementos del alquiler.

- (b) **Familias de Bajos Ingresos:** El estado recalca su meta es de proteger a la población de bajos ingresos de California en esta sección de códigos. Las Familias de Bajos Ingresos reciben garantías de que los aumentos de alquileres van a ser reducidos más allá de lo que cualquier jurisdicción local pueda activar bajo las actuales leyes de control de alquileres de California. Residentes de Bajos ingresos están protegidos por el total de la posesión. La base de los incrementos de la renta es el promedio de los aumentos de los cuatro (4) previos años pero no deben exceder el Precio del Índice del Consumidor ("PIC") que es el promedio de los porcentajes de aumento de los más recientes períodos reportados. Para calificar como Residente permanente de bajos ingresos, el Residente debe aportar la misma información y confirmación como si el Residente estaría aplicando para un préstamo de MPROP cada año y las pautas para calificar son iguales al programa. En el caso que el programa no exista más, la última aplicación quedará como permanente y el nivel de calificación serán establecidos por el Departamento Inmobiliario del Estado de California y el Departamento de Desarrollo Comunitario o el Departamento Inmobiliario de Estados Unidos y el Departamento de Desarrollo Comunitario (California HCD o Federal HUD), a ser elegido por el dueño del espacio.
- (c) **Fecha Efectiva del Acta de Mapas de Alquileres:** La fecha efectiva del Acta de Mapas de Alquileres será como está definido de aquí en adelante en 4.3

Como parte de la distribución del Reporte Público Final, los Alquileres y la información calificativa deben ser distribuidas simultáneamente. El Residente dentro de los noventa (90) días deberá elegir si compra o firma un nuevo contrato de alquiler. Si el Residente no desea firmar un nuevo contrato de un año, pero desea continuar alquilando su Espacio., entonces el Residente puede hacerlo mes por mes bajo un Acuerdo escrito de Alquiler de un (1) año *.Sin tener cuidado que tipo de documento de alquiler, si alguno, firmado por una familia calificada, el Acta de Mapas de Alquileres deberá estar a disposición de esa Familia.*

- 4.3 **Fecha de Conversión:** "Fecha de Conversión" se define como la fecha que el dueño ofrece la Unidad en venta o alquiler. En ese momento cada Familia deberá recibir el Reporte Final Público y todo los documentos referente a lo financiero aprobado por el DRE, incluyendo sin limitación, los Artículos y las Leyes de al Asociación, Declaración de Permiso ("CC&Rs"), Recibo de depósito del Acuerdo de Compra, Instrucciones de

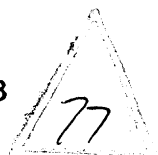


Depósito Reporte Preliminar del Título, Informe de Peligros Naturales, Informe del estado B&P del Parque, Ejemplos de documentos de préstamo, Presupuesto de HOA, Estudio de Reserva para HOA, Alquiler Propuesto y/o Acuerdo Escrito de Alquiler, aplicación de Bajos Recursos, Precios y Tasas de alquiler. Pero por el solo propósito de implementación de la Sección 4 de este Reporte de Impacto al Inquilino, la Fecha de Conversión deberá ser definida como en el Acta de Mapas de Alquileres y deberá ocurrir después de la publicación y entrega del Reporte final Público y sobre la venta de la primera Unidad.

- 4.4 **No Desplazamiento:** Al Residente se le dará la elección de comprar el Espacio donde se encuentra la Casa Móvil o continuar la tenencia en el Parque bajo este RII. Para recibir esta protección prevista aquí y bajo el Acta de Mapas de Subdivisión de California, El Residente debe ser Residente como es definido en Sección 1.2 (b). Además, el Dueño específicamente renunció a terminar la tenencia. (Vea Sección 3). Por consiguiente, no se va a realizar el desalojo del Residente o re-ubicar la Casa por razones de cambio de dueño del Parque.
- 4.5 **Conclusión: No Desalojo ni Desplazamiento Económico:** Este documento pretende asistir a los Residentes de acuerdo al Código del Gobierno de California. Sección 664427.4 para asegurar que no sean desalojados del Parque a causa de la conversión a otro uso, un plan fue presentado y aprobado para asegurar esa protección. El propósito del Reporte de Impacto Clásico es para explicar como y cuando los Residentes tienen que desalojar la propiedad; y que ayuda financiera los Residentes pueden obtener para mover sus Casas y efectos personales. Pero, bajo la presente conversión, por el cual no resulta en un cambio de uso y desalojo de la propiedad, el propósito de este RII es la de explicar las opciones que tienen de los Residentes de comprar o rentar el Espacio. El Dueño del Parque se compromete, por est RII, a descartar sus derechos a terminar la existente tenencia y contrato de alquiler debido a la conversión (Ver Sección 3 arriba), y cualquier Residente que elija no comprar un “Interés en Condominio” (como se define abajo) puede residir en el Parque como se estipula en la Sección 3 y Sección 4.2 arriba. **Entonces, no habrá ningún desplazamiento económico basado en el Acta del Mapa de Alquileres tampoco un desalojo de cualquier Residente por la conversión, y, por lo tanto no requiere ninguna mitigación debido al cambio.**

Sección 5. Beneficios de la Conversión:

El propósito de la conversión del parque de alquiler a un Parque Residente-dueño es proveer los Residentes con una elección. Los



Residentes pueden elegir en comprar intereses de dueños en el Parque, el cual tomaría forma de un PUD/Interés de Condominio, o continuar alquilando el Espacio en el Parque, dejando que los Residentes controlen sus futuro económico. La conversión provee a los ocupantes Residentes la oportunidad de operar y controlar el Parque. Dado que los nuevos dueños no estarán motivados en obtener ganancias pero si van a ser motivados para asegura la mejor condiciones de vida posible en el Parque a un precio razonable, las cuotas pagaderas a través de la Asociación de Familia directamente o a través del alquiler, los dos el comprador y el inquilino se beneficia con a conversión.

Sección 6. PUD/ Intereses de Condominio – Noventa (90) días para el derecho del Primer Rechazo.

- 6.1 **PUD/Intereses de Condominio:** La conversión provee al Residente la oportunidad de convertirse en dueño de los intereses del Parque, que de otra manera no ocurriría. Como se menciona arriba, la forma de convertirse en dueño sería a través del PUD/Intereses de Condominio. El PUD/ Intereses de Condominio es tratado como cualquier otra propiedad real, con la transferencia de posesión por un título que será asegurado por una póliza de seguro del título. Las líneas del frente y el fondo de cada PUD/Interés de Condominio serán demarcados debidamente por un Ingeniero Civil certificado, y específicamente la descripción legal será anotada en un “Plan de Condominio”, el cual será un record público cuando se archive y registre. Cada “PUD/Intereses de Condominio” incluye el espacio aéreo directamente sobre el espacio actualmente alquilado, uno sobre cuatrocientos veinte (1/420th) del interés en las áreas comunes del parque, uno sobre cuatrocientos veinte (1/420th) de interés en el lote de área común, como un inquilino en común. Todos PUD/Intereses de Condominio están sujetos a la descripción de los derechos generales y factores asociados que se encuentran en los artículos de incorporación y las leyes que rigen la Asociación, cualquier condición, regulación y restricciones que afecten al Parque y las leyes de California sobre dicho dueños
- 6.2 **Derecho de Primer Rechazo:** Con referencia al Código del Gobierno de California, Sección 66462, cada residente deberá ser informado que ellos tienen noventa (90) días como período del primer rechazo, comenzando por la publicación del Departamento Inmobiliario de California y la entrega del “Reporte Público Final” (la Fecha de Conversión excepto como prevista en la Sección 4.3). Durante el período de noventa (90) días cada Residente tendrá el derecho exclusivo de comprar o no un PUD/Intereses de Condominio o continuar alquilando su Espacio.



Sección 7. **Noticia legal**

Los residentes recibieron el Documento de Intención de anotar un Mapa con la ciudad de Carson y recibirán el siguiente documento: Documento de Intención de Convertir; Documento de Cambio de uso; 90 días de Primer Rechazo; Documento de Intención de Aplicación por un Reporte Público; y además recibirán todo documentos legales en tiempo y forma requerido por las leyes y ordenanzas del estado y locales. Todos los posibles inquilinos recibirán un Documento de Posibles Inquilinos.

Sección 8. **Conclusión:**

- 8.1 **Los derechos de compra y alquiler arriba mencionados solamente se ofrece a las personas quienes son definidas en Sección 1.1 como Residentes del Parque a la fecha de conversión.**
- 8.2 Los derechos a comprar, programa de Alquiler y protección descrito arriba solamente será ofrecido si el Parque es convertido a un Parque Casas Móviles de Residentes-Dueños. Dichos programas serán efectivos el día del Acta de Mapas de Alquiler o en la "Fecha de Oferta" el cual es la fecha que se publica y entrega el Reporte Público Final del Departamento Inmobiliario de California, cualquiera que ocurriese más tarde.
- 8.3 Una vez convertido el Parque de alquiler a Parque de Residente-Dueño, los actuales y los futuros dueños, como así también los siguientes dueños de PUD/Intereses de Condominio en el Parque deberán obedecer todos los términos y condiciones que se encuentran en este RII. Este RII son las reglas que rigen cada unidad individual.
- 8.4 La conversión del Parque de alquiler a Parque de Residente-Dueño provee a los Residentes con una oportunidad de elegir. Los Residentes del Parque pueden elegir en comprar un Interés de Condominio o continuar alquilando. La conversión también provee a los Residentes la posibilidad de disfrutar la seguridad de vivir en un Residente-Dueño, un Parque controlado y administrado, para quienes la motivación no es la ganancia sino lograr el mejor estilo de vida a un costo razonable.
- 8.5 **Todos los Residentes que elijan continuar alquilando tendrán los derechos de ocupar exactamente como ellos los tienen ahora, y todos**



los alquileres y/o Acuerdos de Alquiler serán válidos, sujetos al Código del Gobierno, Sección 66427.5, Ley de Residencia en Casas Móviles y otras leyes de California que sean aplicables. La protección y programas ofrecidos a los Residentes son más amplios que los requeridos por ley y son mejores que los que los Residentes actuales tienen como inquilinos pagando alquileres en el Parque.



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GILCHRIST & RUTTER
PROFESSIONAL CORPORATION

WILSHIRE PALISADES BUILDING
1289 OCEAN AVENUE, SUITE 900
SANTA MONICA, CALIFORNIA 90401-1000

TELEPHONE (310) 393-4000
FACSIMILE (310) 394-4700
E-MAIL: rclose@gilchristrutter.com

May 23, 2011

Sheri Repp-Loadsman
Planning Manager
City of Carson
701 East Carson Street
Carson, California 90745

Re: Carson Harbor Village Conversion to Resident Ownership
Supplemented Tenant Impact Report

Dear Sheri:

Pursuant to Government Code Section 66427.5(b) and (c) enclosed is a copy of the Supplemented Tenant Impact Report which has been made available and provided to all residents of Carson Harbor Village (see attached Proof of Service).

Carson Harbor Village, Ltd. ("applicant") reserves and re-asserts its contention that the Tenant Impact Report dated October 2006 ("2006 TIR") was complete and adequate, and that the City Council's findings otherwise were legally incorrect, and moreover, that its findings violated Government Code section 65944(a)'s prohibition on requesting "new or additional information" that the City had not previously identified as needed in the application. However, to the extent that issue remains undecided, the enclosed Supplemented Tenant Impact Report is being provided, without waiving applicant's objections, in order to satisfy the City Council's findings of alleged inadequacy of the 2006 TIR to the extent City may have been legally permitted to request the applicant to clarify, amplify, correct or otherwise supplement the prior information.

Also enclosed is a copy of the Public Hearing Notice with Proof of Service in regard to the City Council Hearing scheduled for June 7, 2011.

Very truly yours,

GILCHRIST & RUTTER
Professional Corporation



Richard H. Close
Of the Firm

Enclosures

RECEIVED
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CITY OF CARSON

EXHIBIT "7"



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May 23, 2011
Page 2

cc: William W. Wynder, Esq. (w/encl.)
Kenneth Freschauf (w/encl.)
City Clerk, for inclusion in file of Tentative Parcel Map No. 27014

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Supplemented
TENANT IMPACT REPORT
CARSON HARBOR VILLAGE

May 2011

1. **Purpose of Tenant Impact Report.** This Supplemented Tenant Impact Report ("TIR" or "Tenant Impact Report") supplements that certain Tenant Impact Report dated October 2006 ("Prior TIR"), and is prepared pursuant to California Government Code § 66427.5. To the extent of any conflict between the terms of this TIR and the Prior TIR, the terms of this TIR shall control. The purpose of this TIR is to explain the rights and protections afforded to the residents and occupants of the Carson Harbor Village Mobilehome Park ("Park"), located at 17701 S. Avalon Blvd., Carson, California 90746. All Resident Households¹ will be afforded the opportunity to either (i) buy the space on which their mobilehome is situated or (ii) continue to rent the space on which their mobilehome is situated. For purposes of this TIR, the term "mobilehome" shall have the same meaning as defined under California Civil Code § 798.3, which, among other things, includes a "manufactured home" as defined under California Health & Safety Code § 18007.

1.1 **Change of Ownership.** Whenever a mobilehome park is to be converted from a rental-only park to one where spaces/lots may be owned by the residents, the Subdivision Map Act, found in the California Government Code § 66427.5, requires the entity which is converting the mobilehome park to file a report on the impact that the conversion will have on the residents and occupants of the mobilehome park. The Park will remain a manufactured housing community, with the existing Resident Households having the right to either buy their Condominium Unit² or to remain and rent their lot. The Park is not being closed and the Residents are not vacating the property, but rather, the Resident Households have available to them additional options that were not available to them before the conversion occurs. After conversion, the Resident Households will be able to either purchase their individual spaces and a share in the common area and facilities from the Park owner ("Park Owner"), and participate in the operation of the Park through a homeowners' association ("Homeowners' Association"), or continue to rent their individual spaces.

¹ "Resident Household" or "Resident Households" means any person(s), entity, or group of person(s) who has a tenancy in the Park under a Rental Agreement (as defined under Section 2) on the date of the issuance and delivery of the Final Public Report (as defined under Section 4.2(c)). Please note that this definition does not mean the same as Resident or Residents as defined in Section 1.2 herein.

² "Condominium Unit" means the airspace unit which is defined as 1 foot below grade and 40 feet above grade, with the lateral and horizontal planes demarked by the lot lines established on the ground (in other words, the space the Resident is currently occupying), plus 1/420th fee simple ownership of the common area and facilities and one membership in the Homeowners' Association to be formed as part of the entitlement process. For those who elect to remain renters, this means that those households will continue to rent the same space they were renting prior to the conversion of the Park.



The State of California recognizes the substantial difference between a change of use, which results in the closure of a mobilehome park, from a change in the method of ownership by the implementation of different State of California statutes applicable to each. For all purposes hereunder, California Government Code § 66427.5 controls for purposes of determining what rights the non-purchasing Resident Households will have after the conversion is completed. As detailed below, the conversion of the Park will result in neither actual nor economic displacement of its Residents.

1.2 Definition of Resident(s).

(a) Categories of Resident Households' within the Park. California Government Code § 66427.5 divides the Residents of the Park into two (2) income categories for the Resident Households: (1) non-lower income and (2) lower income households. Lower income households are defined in Health & Safety Code § 50079.5 as "those persons and families whose income does not exceed the qualifying limits for low income families as established and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937." The greatest protections are given to the lower-income households. The income limits are based on the county median income and the household size as prepared and distributed under the United States Housing Act. However, pursuant to the terms of that certain Memorandum of Understanding dated July 11, 2007 between the Park Owner and the Residents' association ("MOU"), a copy of which is attached hereto as Exhibit A, the Park Owner established a third Resident category for moderate income households. The definition of a moderate income household is defined under Section 4.2(c) below. The MOU provides for additional rental protections for moderate income households.

(b) Definition of Resident(s). As used in this Tenant Impact Report, a "Resident" or "Residents" is a homeowner or other person who lawfully occupies a mobilehome in the Park.

1.3 Description of the Property. The Park was constructed in approximately 1970 and is a four hundred twenty (420)-space "Family" Park (no age restriction applies), situated on approximately sixty-four (64) acres. The fenced Park has wide asphalt streets with gutters, green belts for open space, and all utilities are underground. The common area contains a clubhouse with a kitchen, billiard room, office, Jacuzzi, swimming pool, exercise room, and an auditorium with stage. All of the homes are at least doublewide.

2. Residents' Current Position/Rights.

2.1 Current Occupancy. Currently, all of the Resident occupants reside in the Park on a month-to-month written rental agreement (collectively, "Rental Agreements").

The City of Carson ("City") Rent Control Ordinance currently regulates rent increases for Residents under Rental Agreements.

2.2 Residents' Rights. In addition to the terms of Rental Agreements, the tenancy rights of Residents residing in the Park are governed by California Civil Code § 798 et seq. ("Mobilehome Residency Law"), and other applicable California statutory and case law, and the City Rent Control Ordinances.



3. **Park Owner's Rights Upon Conversion.**

3.1 **Right to Change Use.** Generally the Park Owner, pursuant to the California Government Code and Mobilehome Residency Law, has the right to terminate all existing tenancies and require the Residents to vacate the property and go out of business or change the use of the property, providing all applicable laws are followed. The Park Owner, however, through this TIR, agrees to waive the right to terminate any existing tenancies or Rental Agreements or require that the Residents vacate the property. Under this scenario, non-purchasing Resident Households will NOT be required to vacate their space and, as described in more detail in Section 4 below, will have occupancy rights subject to any Rental Agreement, Mobilehome Residency Law, and California law, as applicable. Therefore, there will be no actual eviction or displacement due to the conversion and Resident-purchase of the Park.

4. **No Actual Displacement; Possible Economic Impact.**

4.1 **Impact of Conversion.** Under the California Government Code and the Mobilehome Residency Law, the subdivider is required, as a condition of conversion, to prepare a TIR to set forth the impact of the conversion. Further, the rental increase amount, which may be charged by the owner of the space subsequent to the conversion, is specified and is mandatory in California Government Code § 66427.5. As a result of the conversion, there will be no physical change of use. The property was before and will be after the conversion, operated as a mobilehome park. The difference is that instead of an investor/operator owner, a Homeowners' Association will operate the property.

4.2 **Rental Rate Increases.** To the extent there is any economic impact on Resident Households who elect to not purchase the space on which their mobilehome is situated, it is mitigated by allowing such non-purchasing Resident Households to continue their tenancy in the Park under the California Subdivision Map Act rental increases restrictions pursuant to California Government Code § 66427.5 (f) (1 & 2) ("**Map Act Rents**"). Any such economic impact is further mitigated by the rental increase restrictions provided for under the MOU. The Map Act Rents are based upon two (2) formulas: one formula for non-lower income permanent Resident Households and one formula for lower income permanent Resident Households, as defined in California Health and Safety Code § 50079.5. Under the MOU, a third rental increase restriction formula is provided for moderate income Resident Households. The following annual income limits were established³ for calendar year 2010 for Los Angeles County:

Household Size/ # of Persons	1	2	3	4	5
Lower Income must be at or below:	\$46,400	\$53,000	\$59,650	\$66,250	\$71,550
Moderate Income must be:	More than \$46,400 but less than \$52,900	More than \$53,000 but less than \$60,500	More than \$59,650 but less than \$68,050	More than \$66,250 but less than \$75,600	More than \$71,550 but less than \$81,650
Above Moderate Income must be at or above:	\$52,900	\$60,500	\$68,050	\$75,600	\$81,650

³ 2010 Income Limits as established by the California Department of Housing and Community Development.



(a) **Lower Income Residents.** The State of California has emphasized its goal of protecting housing for the lower income population of California under California Government Code § 66427.5. Lower income is defined in California Government Code § 66427.5 by referencing California Health and Safety Code § 50079.5, which in turn defines lower income persons as persons and families whose income does not exceed the qualifying limits for lower income families as established and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937. Lower income Residents are protected for the entire term of their tenancy.

According to information provided by the City, approximately 60% of the households in the Park are lower income. Average rents are currently \$626 per month. As demonstrated in the chart attached hereto under Schedule 1 (pg. 11), upon conversion, and if the conversion were to occur today, monthly rents for lower income households would increase by approximately \$4.00 annually for those households that do not purchase their lot. Such rent is by law considered affordable housing under today's income guidelines for the lower income households. (see Schedule 2, pg. 12)

(1) **Rent Increase Formula.** Annual rental increases are limited to the average increase for the previous four (4) years immediately preceding the conversion, but shall not exceed the "Consumer Price Index" average monthly percentage increase for the most recently reported period.

(2) **Application Process.** The Residents must provide the same information and confirmation of the Resident's income as though that Resident were applying for a State of California, Mobilehome Park Ownership Program ("MPROP") loan each year. In the event that program is no longer in existence, the last application documents will become the permanent documents, and the qualifying income levels will be those established by either the State of California Housing and Community Development Department ("HCD") or the United States Housing and Community Development Department, at the election of the owner of the space.

(b) **Moderate Income Resident Households.** Pursuant to the MOU, for all Resident Households of moderate income, as defined in Section 6932 of Title 25 of the California Code of Regulations, monthly rents shall increase over a six (6) year period to market rent, instead of the four (4) year period provided under state law.

According to information provided by the City, approximately 20% of the households in Park are moderate income. Average rents are currently \$626 per month. Average market rent is estimated at approximately \$949. As demonstrated in the chart attached hereto under Schedule 1, upon conversion and pursuant to the MOU, if the conversion were to occur today, monthly rents for moderate income households would increase by approximately \$46.00 per year to an estimated \$949 in year seven (7) for those households that still have not purchased their lot after six (6) years. Such rent is by law considered affordable housing even under today's income guidelines for the lowest moderate income households.

(c) **Above-Moderate Income Resident Households.** For above-moderate income Residents, the rent may be increased in equal annual increases over a four (4)-year period to market rent. Market rent is established by an appraisal "conducted in accordance with nationally recognized professional appraisal standards." The reason the rents are raised to market



over a four (4)-year period is to allow the adjustment of rents, which under rent control have remained artificially low, to occur gradually. This protection provides time for those above-moderate income households to plan for the rental adjustment to market.

According to information provided by the City, approximately 20% of the households in the Park are above-moderate income. Average rents are currently \$626 per month. Average market rent is estimated at approximately \$949. As demonstrated in the chart attached hereto under Schedule 1, upon conversion, and if the conversion were to occur today, monthly rents for above-moderate income households would increase by approximately \$65.00 annually to an estimated \$949 in year five (5) for those households that still have not purchased their lot after four (4) years. Such rent is by law considered affordable housing even under today's income guidelines for the lowest above-moderate income households.

(d) **Effective Date of Map Act Rents**. The effective date of the Map Act Rents shall be the Conversion Date (as defined in Section 4.3 below). As part of the distribution of the final public report ("**Final Public Report**") issued by the California Department of Real Estate ("**DRE**"), the leases and qualifying information shall be simultaneously distributed.

4.3 **"Conversion Date"**. Conversion Date is defined as the date of the first sale of a space/lot.

4.4 **No Actual Displacement**. Each Resident Household will be given the choice to buy the lot on which their mobilehome is situated or to continue their tenancy in the Park under this Tenant Impact Report. To receive the protections provided herein and under the California Subdivision Map Act, the Resident must be a Resident, as defined in Section 1.2(b). Further, the Park Owner has specifically waived its right to terminate tenancies (See Section 3). Therefore, there will be no actual eviction of any Resident or relocation of their mobilehome by reason of the Park conversion to Resident ownership.

4.5 **Conclusions Regarding Possible Economic Impact**. In light of the purchase incentives offered and intended to generate significant lot purchases, the rent increase protections provided by statute, the gradual and extended phase-in of market rents for residents above lower income, the anticipated affordability of the market rents to moderate and above-moderate income households and the right of all non-purchasing Residents to remain as renters pursuant to Government Code Section 66427.5, it is anticipated that no lower or non-lower income Residents will be displaced because of the conversion.

It is possible that some residents would choose to move from the Park as a direct or indirect result of the conversion over the short or long term for an unknowable multitude of possible personal reasons or preferences, including, but not limited to, changed personal circumstances and/or changes at the Park such as, for example, different professional property management. Residents who choose to vacate the Park rarely, if ever, move their mobilehomes to other mobilehome parks. Moving one's mobilehome to a replacement space is not generally considered economically efficient. The vast majority of mobilehomes are older than parks typically accept for new placements. Furthermore, the cost of relocation of a mobilehome to a new location is approximately \$10,000.00. Vacating residents typically sell their mobilehome, in place, to new residents.



5. **PUD/Condominium Interest: Ninety (90) Day Right of First Refusal to Purchase.**

5.1 **PUD/Condominium Interest.** The conversion provides the Resident Households with the opportunity to acquire an ownership interest in the Park. As stated above, the form of ownership will be a PUD/Condominium Interest. "PUD/Condominium Interest" means a real property ownership interest that (i) will be transferred by a grant deed, (ii) will be insured by a policy of title insurance, (iii) contains front and back lot line boundaries properly marked by a licensed land surveyor and specific legal descriptions set forth on a "Condominium Plan", (iv) will be a matter of public record when recorded, and (v) comprises the airspace directly over the current rental spaces, a one four hundred twentieth (1/420th) interest in the Park's common areas, and 1/420th interest in the common area lot, as tenants in common. All PUD/Condominium Interests are held pursuant to the description of general rights and associated factors as set forth in the articles and bylaws of the Homeowners' Association, certain conditions, covenants and restrictions, and California law pertaining to such ownership.

5.2 **Right of First Refusal.** As required by California Government Code § 66459, each Resident Household shall be informed that they have a ninety (90)-day right of first refusal period. The right of first refusal period commences upon the issuance by the DRE and delivery of the Final Public Report. During the ninety (90) day period each Resident Household shall have the exclusive right to decide whether or not to purchase a PUD/Condominium Interest or continue to rent his or her space.

6. **Legal Notices.** The Resident Households have received the Notice of Intent to File a Map with the City of Carson and will also receive all additional required legal notices in the manner and within the time frame required by the state and local laws and ordinances. All prospective tenants have and will receive the Notice to Prospective Tenant(s).

7. **Increased Benefits and Protections.** To incentivize Resident Households to purchase their lots, to further protect non-purchasing tenants, and to ensure a successful conversion to Resident ownership, the Park Owner entered into the MOU. Some of the benefits provided to Resident Households under the MOU are as follows: (i) under certain conditions, each Resident Household that elects to purchase their lot and enters into escrow will be eligible to receive certain purchase price discounts, (ii) all moderate income Resident Households will receive increased rent protections beyond those provided under state law, (iii) the Park Owner's agreement to provide certain improvements and upgrades to the Park, and (iv) the Park Owner's agreement to fix the purchase price for lots for a period beyond that required under state law. The Park Owner has agreed to abide by the terms of the MOU as a condition of approval by the City of the tentative map regarding conversion of the Park to Resident ownership.

8. **Purchase Impact.** Pursuant to the Park's governing documents, after conversion to Resident ownership, in the event a Resident or Resident Household wishes to sell his or her mobilehome, the purchaser of the mobilehome will be required to buy the lot as well. After conversion, however, the purchaser will have financing options that were unavailable prior to the conversion. Financing options include conventional real estate secured home loans secured by both the lot and the mobilehome, as opposed to personal property loans secured only by the mobilehome before conversion. The advantages of conventional real estate secured home loans as opposed to personal property secured loans are described in Section 9 below, and certain



specific financing options available to certain purchasers are described in Sections 9 and 10 below.

All Resident Households electing to purchase their lots will benefit from the advantages of home ownership over renting, including building equity, the possible benefits of increases in the value of their real property, acquiring deeded land to leave to heirs, and participating as a voting member in the Homeowners' Association that governs the Park in which they live.

9. **Financing Options for Lower Income Households.** MPROP is a State of California funded program operated through the HCD. MPROP was established to finance the preservation of affordable homes by conversion to resident ownership as described under California Health & Safety Code §§ 50780-50786.5. To the extent funding is available, MPROP is available to Resident Households who elect to purchase their unit and who qualify as a lower-income household as defined by the lower income limits provided by the HCD each year. Income limits for lower income households established for calendar year 2010 for Los Angeles County are described under Section 4.2 above. The likelihood of there being sufficient MPROP funding for Resident Households that qualify as lower income households will be increased if the City agrees to serve as the "applicant" for MPROP funding in accordance with MPROP regulations and if the City assists Resident Households and the Park Owner in obtaining such MPROP funding.

The MPROP program offers long-term (30-year) loans at 3% simple annual interest, to lower-income residents of a mobilehome park that has been converted, to ensure housing affordability for residents who purchase a unit in the mobilehome park. An MPROP loan does not usually cover the entire purchase price; it is often paired with a conventional loan and other sources of financing, and provides, on a sliding scale, an amount sufficient to secure a monthly payment so that total monthly housing costs should not exceed 30% of the resident's monthly income.

MPROP exists solely to provide lower-income residents the opportunity to own an interest in the mobilehome park in which they live and to secure and maintain affordable housing through the conversion of existing rental mobilehome parks to resident owned mobilehome parks.

10. **Financing Options for Non-Lower Income Households.** After conversion to Resident ownership, non-lower income Resident Households that have elected to purchase their lot will have various options available to them to finance their purchase, subject to satisfaction of applicable financing qualification requirements. Lending institutions consider mobilehomes on leased land to be personal property or "chattel". Chattel financing is shorter term with higher interest rates. Once a mobilehome park is subdivided in connection with conversion, the mobilehome and the subdivided real property can be financed with a conventional real estate secured home loan, subject to satisfaction of applicable financing qualification requirements. Real estate secured loan rates are historically lower than chattel financing and lending institutions offer many decades to make payments because of the value and security of the land.

Low-interest funding is also available through the Cal Vets program. Many cities also make partial funding/loans available through programs such as First Time Home Buyer, Cal Loan, AHIF, Redevelopment Agency Fund, etc.

11. **Tax Advantages.** Property taxes will be based on the sales price of the lot. However, if more than 50% of the lots are purchased within the first year following the Conversion Date, a purchaser's property taxes will be based on the seller's property tax base under applicable California law. This would mean a significant savings if Resident Households choose to act on this right. A Resident Household that elects to buy instead of rent is also able to deduct mortgage interest on their tax return, affording additional savings.

12. **Assurance of Operating and Maintenance Funds for Common Area Facilities and Services.** To assure the availability and source of funds to defray the cost of common area facilities and services (collectively, "**Common Area Costs**") during the early period of Resident ownership and operation of the Park by the Homeowners' Association, the Park Owner is required by the DRE, pursuant to California Business and Professions Code § 11018.5 and 10 California Code of Regulations § 2792.9, to furnish funds, a surety bond or other security convertible to cash to an escrow depository, before the sale of any spaces to assure the Park Owner's fulfillment of the Park Owner's obligations as an owner of spaces to pay assessments in order to cover such Common Area Costs. The aforementioned security requirement is ordinarily in an amount equal to six (6) months' regular assessments for each space covered by the Final Public Report and is subject to terms assuring that the Park Owner pays all assessments levied by the Homeowners' Association against spaces owned by the Park Owner (i.e., unsold spaces) until 80% of the spaces covered by the Final Public Report have been sold. Such security requirements are DRE requirements that must be complied with by the Park Owner before the DRE issues the Final Public Report permitting the sale of spaces in the Park.

13. **Homeowners' Association Reserve Account Requirements.** With respect to the Park's major components which the Homeowners' Association is obligated to repair, replace, restore or maintain pursuant to California Civil Code § 1365.5(e) ("**Major Components**"), the Park Owner is required by the DRE to deposit funds into escrow equal to an amount designated by the DRE ("**DRE Required Reserve Deposit Amount**"), which is a portion of certain reserve component amounts determined in accordance with a study of reserve account requirements ("**Reserve Account Requirements Study**") prepared by the Park Owner and accepted by the DRE. The DRE Required Reserve Deposit Amount will be based upon the cost amount attributable to the already used portion of the useful life estimated for the Major Components in accordance with the Reserve Account Requirements Study. Among other things, the Reserve Account Requirements Study is required to (i) identify the Major Components that have a useful life of less than 30 years, (ii) determine the remaining useful life of the Major Components, (iii) estimate the cost of repair, replacement, restoration, or maintenance of the Major Components, (iv) estimate the total annual contribution necessary to defray such costs during and at the end of the useful life of the Major Components, and (v) provide a reserve funding plan describing how the Homeowners' Association plans to fund the amounts described in clause (iv) above to meet the Homeowners' Association's obligation to repair and replace all Major Components with an expected remaining life of 30 years or less. Before any spaces are permitted to be sold, the DRE will require that the escrow release the DRE Required Reserve Deposit Amount to the Homeowners' Association to help defray certain of the costs to repair, replace, restore, or maintain Major Components in accordance with the Reserve Account Requirements Study as accepted by the DRE.

14. Wetlands Area of the Park.

14.1 Wetlands Area Costs and Maintenance. The Park is traversed by a flood control channel and marshy area often referred to as the marsh or the wetlands area (although it is not a federally-designated wetlands). The Park Owner has utilized professional management to oversee and coordinate management of the Park, including maintenance of the wetlands area of the Park and coordinating such maintenance as need be with appropriate governmental agencies. After conversion, it is expected that the Association will continue to utilize professional management in this regard. Complete records regarding the Park's maintenance of the wetlands area and compliance with governmental oversight agencies are available for inspection at the Park manager's office in the Park clubhouse. The historical expense to the Park Owner associated with maintenance of the Park, including the wetlands area, is a matter of public record, such costs having been submitted annually to the City as part of the Park's annual rent increase application and are, and have always been, on file with the City and available for public review. The Association's initial operating budget will, among other things, include the cost of wetlands area maintenance as part of the Common Area Costs. Such initial operating budget is subject to the review and approval of the DRE in connection with the Park Owner's application for issuance of the Final Public Report. To ensure that annual costs for wetlands area maintenance are covered on an on-going basis, such costs will need to be included in the Association's operating budgets for each fiscal year. Any proposed changes to regular or special assessments for maintenance of the Park, including maintenance of the wetlands area, would need to be made in accordance with the Association's governing documents.

14.2 Past Remediation of Contamination and Risk of Further Contamination. Hazardous material dumped decades earlier in a single location of the Park's wetlands area was discovered in 1994 as a result of a Phase I environmental assessment. The likely cause of such contamination was past utilization of the site as a dairy farm and for oil production and storage prior to development of the site as a mobilehome park. Remediation steps approved by the Regional Water Quality Control Board ("RWQCB") were taken by a national environmental engineering firm. Remedial action was successfully completed during July of 1995. After inspections were conducted to ensure that the remedial action was successfully completed, the RWQCB delivered a "no further action" letter on October 18, 1995 ("**No Further Action Letter**"). Since the date of the No Further Action Letter, various Phase I environmental assessment reports of the Park have found no further contamination. The most recent Phase I environmental assessment report was conducted in 2007 and concluded that "Recognized Environmental Conditions" (as described in that Phase I) ("**REC's**") were not identified for the Park and REC's were not identified in connection with off-site properties. The 2007 Phase I also concluded that the materials that were removed in 1995, termed a "Historical Environmental Condition", should pose no environmental concern for the Park. The 2007 Phase I environmental assessment report may be made available upon request. Because various Phase I environmental inspection reports of the Park conducted since the date of the No Further Action Letter have found no indications of further contamination and no REC's were identified for the Park or for off-site properties, the Park Owner believes the wetlands area of the Park is not at significant risk of any further contamination. If any future contamination were to occur for some reason, the Association would likely address any significant remediation costs to the Association arising from same through a change in regular or special assessments in accordance with the Association's governing documents. In addition, any significant costs to the Association arising



from any future contamination could be minimized through insurance coverage and by way of legal action against those responsible for any such release or contamination.

15. **Benefits of Conversion.** The purpose of the conversion of the Park from a rental park to a Resident-owned park is to provide the Resident Households with a choice. The Resident Households may either choose to purchase an ownership interest in the Park, which would take the form of a PUD/Condominium Interest (as defined in Section 5.1), or continue to rent a space in the Park, thereby allowing the Residents to control their economic future. The conversion provides the Residents the opportunity to operate and control the Park. Since the new owners of the Park will not be motivated to make a profit, but rather are motivated to ensure the best possible living conditions at the most affordable rates, payable through the Homeowners' Association dues, directly or through rent, both buyers and renters benefit from the conversion.

16. **Conclusion.**

16.1 The above described purchase rights and protections will be offered only if the Park is converted to a Resident-owned mobilehome park. Such programs become effective on the Conversion Date.

16.2 Upon conversion of the Park to Resident ownership, the Park Owner as well as subsequent owners of PUD/Condominium Interests in the Park, shall abide by all terms and conditions set forth in this TIR. This TIR is a covenant that encumbers each individual unit.

16.3 All Resident Households choosing to continue to rent will have occupancy rights exactly as they have now, and all existing Rental Agreements will be honored, subject to California Government Code § 66427.5, Mobilehome Residency Law, and other California law, as applicable.

16.4 The conversion of the Park from a rental park to a Resident-owned park provides the Residents with an opportunity of choice. Resident Households may choose to purchase a PUD/Condominium Interest or continue to rent. The conversion also provides the potential for Residents to enjoy the security of living in a Resident-owned, controlled, and managed Park, whose motivation is not profit, but rather, achieving the best living environment at the most affordable rates. The protections and programs offered by the Park Owner to the Residents are greater than those required by law.



**CARSON HARBOR VILLAGE
CHART OF PROJECTED RENTS
7 YEARS POST-CONVERSION
IF CONVERSION WERE TO OCCUR TODAY**

ALL CALCULATIONS BASED ON 2010/11 DATA

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	Annual Increase
LOWER INCOME (60% of the park per 2005 City report) (Lesser of CPI or average increase in past four years*) Average rent** + current CPI (0.7%)	\$630	\$635	\$639	\$644	\$648	\$653	\$657	\$4
MODERATE INCOME - Average rent** + % increase per year to market rent*** over 6 years	\$672	\$718	\$765	\$811	\$857	\$903	\$949	\$46
ABOVE MODERATE INCOME Average rent** + % increase to market rent*** over 4 years	\$691	\$755	\$820	\$885	\$949	Market Rent	Market Rent	\$65

*Average annual rent increase in four years prior to conversion (under City rent control)

**2011 average rent in Park \$24

***2011 average market rent for Park \$626

Market rent estimation is based on the 11 non-rent controlled spaces in Park \$949

Current market rent does not exceed the "Affordable Housing" limit for any income levels above lower income limits for Los Angeles County 2010.

CONCLUSIONS:

1. After conversion, the average annual rent increase for all lower income residents will be less than the average increases approved by the City for the past four years. Even if the CPI were to increase from 0.7% (current level) to 3%, the average annual rent increases would be lower than those experienced under City rent control.
2. After conversion, the average rent for all residents "above lower income" will remain within "affordable housing" guidelines as set by the U.S. Department of Housing & Community Development.



CARSON HARBOR VILLAGE

**2010 MONTHLY
U.S. GOVERNMENT
AFFORDABLE HOUSING* GUIDELINES**
(Based on 2010 Income Levels for Los Angeles County)

Household Size # of Persons	1	2	3	4	5
For Lower Income Monthly housing costs must be less than:	\$1,160	\$1,325	\$1,491	\$1,656	\$1,788
For Moderate Income Monthly housing costs may be:	More than \$1,160 but less than \$1,322	More than \$1,325 but less than \$1,512	More than \$1,491 but less than \$1,701	More than \$1,656 but less than \$1,890	More than \$1,788 but less than \$2,041
For Above Moderate Income Monthly housing costs may be at or above:	\$1,322	\$1,512	\$1,701	\$1,890	\$2,041

*The U.S. Department of Housing and Urban Development (HUD) defines "affordable" as housing that costs no more than 30 percent of a household's monthly income. That means the monthly housing expenses for a homeowner should be 30 percent or less of a household's monthly gross income to be considered affordable.

2010 INCOME LEVELS FOR LOS ANGELES COUNTY

Household Size # of Persons	1	2	3	4	5
Lower Income must be at or below:	\$46,400	\$53,000	\$59,650	\$66,250	\$71,550
Moderate Income must be:	More than \$46,400 but less than \$52,900	More than \$53,000 but less than \$60,500	More than \$59,650 but less than \$68,050	More than \$66,250 but less than \$75,600	More than \$71,550 but less than \$81,650
Above Moderate Income must be at or above:	\$52,900	\$60,500	\$68,050	\$75,600	\$81,650

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EXHIBIT A

[See attached Memorandum of Understanding]



MEMORANDUM OF UNDERSTANDING
Carson Harbor Village Mobile Home Park Conversion
July 11, 2007

THIS MEMORANDUM OF UNDERSTANDING is entered into in connection with the conversion to resident ownership ("Conversion") of the Carson Harbor Village Mobile Home Park ("Park"). In consideration of the agreement of Carson Harbor Village, Ltd. ("Park Owner") to continue the scheduled hearing before the City Council for the City of Carson to July 31, 2007 and the agreement of the Carson Harbor Village Homeowners' Association ("Association") to support the Conversion, all as more particularly described herein, the Park Owner and the Association hereby agree to the following with respect to Conversion matters:

1. Purchase Price Discount. Provided the City of Carson irrevocably approves the tentative tract map pertaining to the Conversion filed by the Park Owner by not later than July 31, 2007 and such tentative tract map approval is not subjected to legal challenge (collectively, "City Tentative Tract Map Approval") and the City of Carson irrevocably approves the final tract map pertaining to the Conversion and such final tract map approval is not subjected to legal challenge (collectively, "City Final Tract Map Approval") (the City Tentative Tract Map Approval and the City Final Tract Map Approval are collectively referred to herein as "City Tract Map Approval"), each owner of a mobilehome in the Park ("Home Owner") shall be entitled to a ten percent (10%) discount off the purchase price for the space occupied by their mobilehome ("Unit Purchase Price"), provided such Home Owner signs and delivers to the Park Owner a deposit receipt/sales contract and related escrow instructions (collectively, "Purchase Documents") within sixty (60) days ("Initial 60-day Period") after the issuance and delivery to the Home Owner of the California Department of Real Estate "final public report" pertaining to the sale of condominium interests in the Park ("Final Public Report"). In the event a Home Owner fails to sign and deliver the Purchase Documents within the Initial 60-day Period but signs and delivers the Purchase Documents within the next sixty (60) day period immediately following expiration of the Initial 60-day Period, then such Home Owner shall be entitled to a five percent (5%) discount off the Unit Purchase Price. Notwithstanding the foregoing, application of such discounts to a Unit Purchase Price shall be contingent upon the close of escrow for the space being purchased by the Home Owner.
2. Additional Moderate Income Rent Increase Protections. Provided City Tract Map Approval is granted, each Home Owner who is moderate income, as defined in Section 6932 of Title 25 of the California Code of Regulations, shall have their monthly base rent increased over a six (6) year period to market rent, instead of the increase over a four (4) year period to market rent as provided under Government Code Section 66427.5(f)(1). In the event, within the first three (3) years of such 6-year period, a moderate income Home Owner subsequently

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qualifies as low income (as defined under Section 6932 of Title 25 of the CCR), then Park Owner agrees that up to but not exceeding the first thirty (30) of such moderate income Home Owners, who subsequently qualify as low income (under Section 6932) within such 3-year period, shall be eligible to have the then current monthly base rent paid by such Home Owner at the time such Home Owner subsequently qualifies as low income to be subject to the restrictions on lower income monthly base rent increases as described under Section 66427.5(f)(2) of the Government Code.

3. Park Upgrades and Improvements. Within one (1) year following the date of the City Final Tract Map Approval ("Final Tract Map Approval Date"), the Park Owner agrees to complete the work and improvements as described in paragraphs 1, 2 and 5 of the Carson Harbor Village Special Park Improvements list which is attached hereto under Exhibit A and made a part hereof ("Park Improvements List"). Within two (2) years following the Final City Tract Map Approval Date, the Park Owner agrees to complete the work and improvements as described in paragraphs 3 and 4 of the Park Improvements List. Notwithstanding the foregoing, (i) the completion dates for such work and improvements shall be subject to extension caused by force majeure events and any unusual delays in obtaining applicable permits and licenses required by governmental authorities, and (ii) performance of the work and improvements described under paragraph 2 of the Park Improvements List shall be subject in all respects to California Department of Fish and Game regulations and approvals. Prior to commencing the work and improvements described under the Park Improvements List, the Park Owner agrees to submit to the City of Carson and the Association a detailed, itemized schedule of such work and improvement, including start dates, unit spaces (identified by number) upon which the work and improvements described in paragraphs 1 and 5 will be performed, and such other reasonable details regarding performance of the work and improvements and allocation of costs.
4. Association Support of the Conversion. A majority of the members of the board of directors of the Association and officers of the Association shall recommend favorable consideration of the Conversion based upon the conditions contained herein. Such board members and officers shall conduct written polling of the Home Owners to determine the level of Home Owners' favorable consideration of the Conversion based upon the conditions contained herein and provide copies of such polling results to the Park Owner. Prior to conducting such polling, however, such board members and officers shall recommend to the Home Owners favorable consideration of the Conversion based on the conditions contained herein. In the event such polling of the Home Owners evidences favorably consideration for the Conversion by a majority of the Home Owners participating in the polling, then the Association shall (i) recommend to the City Council in writing that the City Council approve the Conversion, (ii) sign documentation as reasonably requested by the Park Owner evidencing the Association's recommendation of favorable consideration of the Conversion, and (iii) use its best efforts to meet with each member of the City Council prior to the July 31,



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RBM

2007 City Council hearing date to make the recommendations described in clause (i) above.

5. Increased Fixed Purchase Price Period. Provided City Tract Map Approval is granted, Owner shall fix the Unit Purchase Price for a period of six (6) months for each Home Owner. Such 6-month period shall be in lieu of such 90-day period as provided under Section 66459 of the Government Code. Such 6-month period shall commence as of the date that the Purchase Documents have been delivered to the Home Owners and the Final Public Report has been issued.
6. Resolutions of Approval. Provided City Tract Map Approval is granted, the Park Owner shall abide by the Resolutions of the City Council of the City of Carson Approving, Subject to Conditions, Tentative Parcel Map No. 27014 for the Residential Conversion of the Park, so long as such resolutions and conditions are substantially the same as the Resolutions of the Planning Commission of the City of Carson Approving Tentative Parcel Map No. 27014 for the Residential Conversion of the Park and Conditions of Approval, a copy of which is attached hereto as Exhibit B.
7. Rent Increase Application. Provided the City Tentative Tract Map Approval is granted, the Park Owner agrees to the following from the date the City Tentative Tract Map Approval is granted up to and including the date of the City of Carson's hearing regarding the City Final Tract Map Approval: (i) to hold in abeyance Park Owner's filing of its rent increase application pertaining to the Park ("Rent Increase Application"), and (ii) to not exercise Park Owner's rights to require that a hearing on the Rent Increase Application be held within the time period required by applicable statutes and regulations (clauses (i) and (ii) above collectively referred to as the "Rent Increase Application Limitations"). If the City Tentative Tract Map Approval is not granted, the Rent Increase Application Limitations shall not apply and Park Owner shall have the right to exercise all of its rights regarding the Rent Increase Application and with respect to time requirements regarding a hearing date and otherwise. If the City Final Tract Map Approval is granted, the Park Owner agrees to withdraw the Rent Increase Application and to waive any further rights to the rent increases requested thereunder. If the City Final Tract Map Approval is not granted, the Rent Increase Application Limitations shall immediately terminate and the Park Owner shall have the right to exercise all of its rights regarding the Rent Increase Application and with respect to the time requirements regarding a hearing date and otherwise.
8. Mobilehome Residency Law. Park Owner acknowledges and agrees that after the Conversion all Home Owners who continue to rent will maintain occupancy rights subject to any lease or written rental agreement, the "Mobilehome Residency Law" (described under California Civil Code Section 798 et seq.) and California law, as applicable.

Handwritten initials "JJS" and "RBOM" next to a triangle containing the number "198".

9. Membership Voting Rights. As the "Declarant" under a certain Declaration of Establishment of Covenants, Conditions and Restrictions ("CC&Rs"), which is to be prepared by Park Owner and recorded in connection with the Conversion, pertaining to the maintenance, operation and management of the common areas and certain other matters of the Park, the Park Owner agrees, provided City Final Tract Map Approval is granted, that language substantially identical to the following language (as described under Section 2792.18 of Title 10 of the California Code of Regulations) will be set forth in the CC&Rs pertaining to membership voting matters:

"(a) The Association has two (2) classes of voting membership:

(1) "Class A Members" means all Owners (other than Declarant) who shall be entitled to one (1) vote for each Unit owned.

(2) "Class B Members" means the Declarant, whose voting rights shall be the same as for Class A Members, except that Declarant shall be entitled to three (3) votes for each Unit owned by Declarant.

(b) Class B Membership irreversibly ceases and converts to Class A Membership on the first to occur of the following:

(1) The total outstanding votes held by Class A Members equals the total outstanding votes held by Class B Members (as tripled); or

(2) On the second (2nd) anniversary of the first conveyance of a Condominium Interest in the most recent phase of the project.

(c) If membership approval of a prescribed majority of the voting power (other than Declarant) is required the following rules apply:

(1) If both Class A Members and Class B Members exist, the required vote is a bare majority of the voting power of the Class B Members and the prescribed bare majority of the voting power of the Class A Members; or

(2) After conversion to all Class A Memberships, the required vote is a majority of the total voting power of the Association and the prescribed majority of the total voting power of Members other than Declarant."

10. Further Documents and Agreement. The Association and the Park Owner shall execute such documents and agreements and take such further action as shall be reasonably necessary in order to implement and carryout the provisions and terms hereof.

[Signatures on following page]



Carson Harbor Village, Ltd.,
a California limited partnership

Carson Harbor Village Homeowners'
Association

By: Goldstein Properties, Inc.,
A California corporation

By: RBM Meredith
Name: Keith B Meredith
Title: Pres, CHV-40A

By: James Goldstein
Name: James Goldstein
Title: President

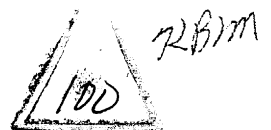
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EXHIBIT A

**CARSON HARBOR VILLAGE
Special Park Improvements
Through Conversion To Resident Ownership**

1.	TREES – Trees will be trimmed and shaped in both the common areas and in resident spaces. Work will also include stump removal.	\$44,600.00
2.	WETLANDS – Removal of blackberry bushes, brush, undergrowth and debris in wetlands with the objective of increasing water flow.	\$44,000.00
3.	ALBERTONI WALL – Replacement of 300 feet of lineal wall, to include concrete, stucco, brick and paint. This will include the removal of tree roots.	\$149,500.00
4.	STREETS – Repair and maintenance to include removal, grading, and paving of 13,662 sq. ft. of asphalt. Installation of three speed bumps. Sealing, re-striping and repainting of 100,000 sq. ft. of asphalt. Curb and gutter removal and replacement in designated areas.	\$100,500.00
5.	DRIVEWAYS – Repair cracked driveways in designated spaces.	\$11,400.00
6.	LIGHTING – Street lights installed on Albertoni between Avalon Boulevard and the western end of the Park, and along Avalon in front of the Park.	\$180,000.00
	TOTAL IMPROVEMENTS	\$530,000.00



JH
RBM

**Carson Harbor Village MHP
Mailing List - Jan. 2011**

First_Name	Last_Name	Address	Space	City	State	Zip_Code
Filiberto	Castaneda	17701 S. Avalon Blvd.	A	Carson	CA	90746
Timothy and Marlene	Gutzmer	17701 S. Avalon Blvd.	B	Carson	CA	90746
Michael and Tauna Boykir	& Arthur and Betty	17701 S. Avalon Blvd.	C	Carson	CA	90746
Donnie and Lillian	Thompson	17701 S. Avalon Blvd.	D	Carson	CA	90746
Roy and Leslie	Langford	17701 S. Avalon Blvd.	E	Carson	CA	90746
Martha Pena	& Ivan Giuillen	17701 S. Avalon Blvd.	F	Carson	CA	90746
Jose Luis	Segovia	17701 S. Avalon Blvd.	G	Carson	CA	90746
Phil E.	Martel	17701 S. Avalon Blvd.	H	Carson	CA	90746
Alex	Perez	17701 S. Avalon Blvd.	I	Carson	CA	90746
Jacqueline	Davis	17701 S. Avalon Blvd.	J	Carson	CA	90746
Melissa	Meyer	17701 S. Avalon Blvd.	K	Carson	CA	90746
Michael and Latanya	Seale	17701 S. Avalon Blvd.	1	Carson	CA	90746
Bettye	Mclver	17701 S. Avalon Blvd.	2	Carson	CA	90746
Dolores	Ramirez	17701 S. Avalon Blvd.	3	Carson	CA	90746
Pedro	Esquivel	17701 S. Avalon Blvd.	4	Carson	CA	90746
Jesus	Barragan	17701 S. Avalon Blvd.	5	Carson	CA	90746
Lenvert	Harper	17701 S. Avalon Blvd.	6	Carson	CA	90746
Tanya	Walters	17701 S. Avalon Blvd.	7	Carson	CA	90746
Juan	Moreno	17701 S. Avalon Blvd.	8	Carson	CA	90746
Alfredo and Beatriz	Galicia	17701 S. Avalon Blvd.	9	Carson	CA	90746
Debbie	Mora	17701 S. Avalon Blvd.	10	Carson	CA	90746
Nola and Jimmie	Timms	17701 S. Avalon Blvd.	11	Carson	CA	90746
Margaret York	Re: Carson Harbor	817 W. 112th Street		Los Angeles	CA	90044
Jorge	Fernandez	17701 S. Avalon Blvd.	13	Carson	CA	90746
Julio	Arias	17701 S. Avalon Blvd.	14	Carson	CA	90746
Jim	Dally	17701 S. Avalon Blvd.	15	Carson	CA	90746
Alicia	Almanza	17701 S. Avalon Blvd.	16	Carson	CA	90746
Idalia	Velasco	17701 S. Avalon Blvd.	18	Carson	CA	90746
Francis and Margaret	Folsom	17701 S. Avalon Blvd.	19	Carson	CA	90746
Fred	Isaac	17701 S. Avalon Blvd.	20	Carson	CA	90746
Pat	Sailor	17701 S. Avalon Blvd.	21	Carson	CA	90746
Ramon Rodriguez	& Josefina Montelo	17701 S. Avalon Blvd.	22	Carson	CA	90746
Donna	Klapproth	17701 S. Avalon Blvd.	23	Carson	CA	90746
Johana	Aldoney	17701 S. Avalon Blvd.	24	Carson	CA	90746
Prisciliano Manuel	& Vivian & Patrick C	17701 S. Avalon Blvd.	25	Carson	CA	90746
Doug & Sharon	Harris	17701 S. Avalon Blvd.	26	Carson	CA	90746
Donald	Otjen	17701 S. Avalon Blvd.	27	Carson	CA	90746
Fertig/Vasquez		17701 S. Avalon Blvd.	28	Carson	CA	90746
Maria E.	Lopez	17701 S. Avalon Blvd.	29	Carson	CA	90746
Felix & Maria	Estrada	17701 S. Avalon Blvd.	30	Carson	CA	90746
Elwood	Bush	17701 S. Avalon Blvd.	31	Carson	CA	90746
Yvonne	Valadez	17701 S. Avalon Blvd.	32	Carson	CA	90746
Patricia	Day	17701 S. Avalon Blvd.	33	Carson	CA	90746
Marisela	Lopez	17701 S. Avalon Blvd.	34	Carson	CA	90746
Guy	Blackmer	17701 S. Avalon Blvd.	35	Carson	CA	90746



**Carson Harbor Village MHP
Mailing List - Jan. 2011**

Mike and Mary	Simoneau	17701 S. Avalon Blvd.	.36	Carson	CA	90746
Maria E.	Montelongo	17701 S. Avalon Blvd.	.37	Carson	CA	90746
Arthur	Weise, Jr.	17701 S. Avalon Blvd.	.38	Carson	CA	90746
Ms. Mei	Suzuki	17701 S. Avalon Blvd.	.39	Carson	CA	90746
MANAGER		17701 S. Avalon Blvd.	.40	Carson	CA	90746
Edward	Vallin	17701 S. Avalon Blvd.	.41	Carson	CA	90746
Don	Hopper	17701 S. Avalon Blvd.	.42	Carson	CA	90746
Marva L.	Mitchell	17701 S. Avalon Blvd.	.43	Carson	CA	90746
Shirley	Carter	17701 S. Avalon Blvd.	.44	Carson	CA	90746
Leopoldo & Rosa	Flores	17701 S. Avalon Blvd.	.45	Carson	CA	90746
Jacklynn	McCaffrey	17701 S. Avalon Blvd.	.46	Carson	CA	90746
Christine	Gravante	17701 S. Avalon Blvd.	.47	Carson	CA	90746
Timothy	Henkel	17701 S. Avalon Blvd.	.48	Carson	CA	90746
Debra	Marshall	17701 S. Avalon Blvd.	.49	Carson	CA	90746
Joseph	Cogut	17701 S. Avalon Blvd.	.50	Carson	CA	90746
Joanne and Paule	Plourde	17701 S. Avalon Blvd.	.51	Carson	CA	90746
Kevin and Margarethe	Peters	17701 S. Avalon Blvd.	.52	Carson	CA	90746
Roberto	Pensamiento	17701 S. Avalon Blvd.	.53	Carson	CA	90746
DO NOT SEND		17701 S. Avalon Blvd.	.54	Carson	CA	90746
Joe and Deborah	Dominguez	17701 S. Avalon Blvd.	.55	Carson	CA	90746
Jose	Garcia	17701 S. Avalon Blvd.	.56	Carson	CA	90746
Edgar and Marianna	May	17701 S. Avalon Blvd.	.57	Carson	CA	90746
Jorge and Alba Rodas	Zarate	17701 S. Avalon Blvd.	.58	Carson	CA	90746
Frank	Stamps	17701 S. Avalon Blvd.	.59	Carson	CA	90746
DO NOT SEND		17701 S. Avalon Blvd.	.60	Carson	CA	90746
Mike Nnuno	& Maria Medina	17701 S. Avalon Blvd.	.61	Carson	CA	90746
William	Bubinski	17701 S. Avalon Blvd.	.62	Carson	CA	90746
Jimmie Walker and	Vicky Walker	17701 S. Avalon Blvd.	.63	Carson	CA	90746
Gary	Cantrell	17701 S. Avalon Blvd.	.64	Carson	CA	90746
Maria	Tapia	17701 S. Avalon Blvd.	.65	Carson	CA	90746
Francisco Vera	Martinez	17701 S. Avalon Blvd.	.66	Carson	CA	90746
Timothy and Janina	Bateman	17701 S. Avalon Blvd.	.67	Carson	CA	90746
Carrie E.	Ross	17701 S. Avalon Blvd.	.68	Carson	CA	90746
Cherylanne	Scheeler	17701 S. Avalon Blvd.	.69	Carson	CA	90746
Edna and Willie	Foster	17701 S. Avalon Blvd.	.70	Carson	CA	90746
Joe and Louise	Richardson	17701 S. Avalon Blvd.	.71	Carson	CA	90746
Donald and Pearl Lee	& Loi Phuong Jgo	17701 S. Avalon Blvd.	.72	Carson	CA	90746
Lezma	Hughes	17701 S. Avalon Blvd.	.73	Carson	CA	90746
Toni	York	17701 S. Avalon Blvd.	.74	Carson	CA	90746
Thurley	Torres	17701 S. Avalon Blvd.	.75	Carson	CA	90746
David and Carolina	Bateman	17701 S. Avalon Blvd.	.76	Carson	CA	90746
Lorelei	Himes	17701 S. Avalon Blvd.	.77	Carson	CA	90746
Jamie Terry	& Paul and Evelyn P	17701 S. Avalon Blvd.	.78	Carson	CA	90746
Martina	Shuton	17701 S. Avalon Blvd.	.79	Carson	CA	90746
Jo Anne	Swan	17701 S. Avalon Blvd.	.80	Carson	CA	90746
Mathias	Fobi	17701 S. Avalon Blvd.	.81	Carson	CA	90746



**Carson Harbor Village MHP
Mailing List - Jan. 2011**

Jeff and Angela	Berlfein	17701 S. Avalon Blvd.	82	Carson	CA	90746
Ella	Clark	17701 S. Avalon Blvd.	83	Carson	CA	90746
Maria and Alfredo	Gonzalez	17701 S. Avalon Blvd.	84	Carson	CA	90746
John	Lopez	17701 S. Avalon Blvd.	85	Carson	CA	90746
Leroy	Cooley	17701 S. Avalon Blvd.	86	Carson	CA	90746
Barbara	Monda	17701 S. Avalon Blvd.	87	Carson	CA	90746
Hanne Cha	& Dae S. Kim	17701 S. Avalon Blvd.	88	Carson	CA	90746
Charles and Lisa	Clark	17701 S. Avalon Blvd.	89	Carson	CA	90746
Herbert And	Brandes	17701 S. Avalon Blvd.	90	Carson	CA	90746
Mario and Maria	Franco	17701 S. Avalon Blvd.	91	Carson	CA	90746
Margaret	Geeter	17701 S. Avalon Blvd.	92	Carson	CA	90746
Maureen	Paul	17701 S. Avalon Blvd.	93	Carson	CA	90746
Robert Choutel	& Maria Galletan	17701 S. Avalon Blvd.	94	Carson	CA	90746
Francoise	Goisato	17701 S. Avalon Blvd.	95	Carson	CA	90746
Sheryl and Eric	Burger	17701 S. Avalon Blvd.	96	Carson	CA	90746
William	Kerr	17701 S. Avalon Blvd.	97	Carson	CA	90746
Terry	McMillan	17701 S. Avalon Blvd.	98	Carson	CA	90746
Paulette	Warazan	17701 S. Avalon Blvd.	99	Carson	CA	90746
Miguel Angel	Padilla, Jr.	17701 S. Avalon Blvd.	100	Carson	CA	90746
Veronica	Gates	17701 S. Avalon Blvd.	101	Carson	CA	90746
Dorothy	Stannard	17701 S. Avalon Blvd.	102	Carson	CA	90746
Brad and Flo	Sanders	17701 S. Avalon Blvd.	103	Carson	CA	90746
Miguel	Padilla, Sr.	17701 S. Avalon Blvd.	104	Carson	CA	90746
Rosa and Felipe	Hernandez	17701 S. Avalon Blvd.	105	Carson	CA	90746
Maria and Sylvia	Fernandez	17701 S. Avalon Blvd.	106	Carson	CA	90746
Maria E.	Montelongo	17701 S. Avalon Blvd.	107	Carson	CA	90746
Carlos and Mirian	Salazar	17701 S. Avalon Blvd.	108	Carson	CA	90746
Sylvia Montau	& Katie Strobel	17701 S. Avalon Blvd.	109	Carson	CA	90746
James	Stanton	17701 S. Avalon Blvd.	110	Carson	CA	90746
Anatoly and	Margolin	17701 S. Avalon Blvd.	111	Carson	CA	90746
Ronal and Jacqua	Sutton	17701 S. Avalon Blvd.	112	Carson	CA	90746
Lynn	Berger	17701 S. Avalon Blvd.	113	Carson	CA	90746
Brian and Sandrea	Klein	17701 S. Avalon Blvd.	114	Carson	CA	90746
Lisa	Cottrell	17701 S. Avalon Blvd.	115	Carson	CA	90746
Wilbur and Ariana	Colato	17701 S. Avalon Blvd.	116	Carson	CA	90746
Antonio and Maria	Gonzalez	17701 S. Avalon Blvd.	117	Carson	CA	90746
Roxanne	Pombo	17701 S. Avalon Blvd.	118	Carson	CA	90746
David and Eloise	Hawley	17701 S. Avalon Blvd.	119	Carson	CA	90746
Efren	Trujillo	17701 S. Avalon Blvd.	120	Carson	CA	90746
Paulette	Gutierrez	17701 S. Avalon Blvd.	121	Carson	CA	90746
Kenneth and Linda	Frisk	17701 S. Avalon Blvd.	122	Carson	CA	90746
Jessie	Lugo	17701 S. Avalon Blvd.	123	Carson	CA	90746
Dorothy	Meredith	17701 S. Avalon Blvd.	124	Carson	CA	90746
David and Denise	Garcia	17701 S. Avalon Blvd.	125	Carson	CA	90746
Ramon	Amezcuca	17701 S. Avalon Blvd.	126	Carson	CA	90746
Kermit	Westbrook	17701 S. Avalon Blvd.	127	Carson	CA	90746



Carson Harbor Village MHP**Mailing List - Jan. 2011**

Cyril	Dupree	17701 S. Avalon Blvd.	128	Carson	CA	90746
Ralph	Bender	17701 S. Avalon Blvd.	129	Carson	CA	90746
Richard and Maria	Kim	17701 S. Avalon Blvd.	130	Carson	CA	90746
Linda	Johnson	17701 S. Avalon Blvd.	131	Carson	CA	90746
Alfredo and Maria	Valencia	17701 S. Avalon Blvd.	132	Carson	CA	90746
Chris Segura	& Sophia David Ste	17701 S. Avalon Blvd.	133	Carson	CA	90746
Martha Holgun	& Martin Salgado	17701 S. Avalon Blvd.	134	Carson	CA	90746
Agustin Sanchez	& Marta Gaytan	17701 S. Avalon Blvd.	135	Carson	CA	90746
Lori Ann	Keveney	17701 S. Avalon Blvd.	136	Carson	CA	90746
Elpidio Gutierrez	& Laissa Fernandez	17701 S. Avalon Blvd.	137	Carson	CA	90746
James and Madeline	Carey	17701 S. Avalon Blvd.	138	Carson	CA	90746
Debra	Moore	17701 S. Avalon Blvd.	139	Carson	CA	90746
Jose and Yolanda	Gonzalez	17701 S. Avalon Blvd.	140	Carson	CA	90746
Lewis Ciomber	& Marian Ciomber	17701 S. Avalon Blvd.	141	Carson	CA	90746
Stanley	Yunich	17701 S. Avalon Blvd.	142	Carson	CA	90746
Sheryl	Morton	17701 S. Avalon Blvd.	143	Carson	CA	90746
Susan Tabit	& Denise Beattie	17701 S. Avalon Blvd.	144	Carson	CA	90746
Mary	Whitmire	17701 S. Avalon Blvd.	145	Carson	CA	90746
Jose	Sanchez	17701 S. Avalon Blvd.	146	Carson	CA	90746
Ruth	Miller	17701 S. Avalon Blvd.	147	Carson	CA	90746
Esther	Garcia	17701 S. Avalon Blvd.	148	Carson	CA	90746
Richard	McHelheny	17701 S. Avalon Blvd.	149	Carson	CA	90746
David and Patsy	Marion	17701 S. Avalon Blvd.	150	Carson	CA	90746
Margaret	Ochoa	17701 S. Avalon Blvd.	151	Carson	CA	90746
Maria	Grgas	17701 S. Avalon Blvd.	152	Carson	CA	90746
Moises	Dominguez	17701 S. Avalon Blvd.	153	Carson	CA	90746
Gordon	Bayly	17701 S. Avalon Blvd.	154	Carson	CA	90746
Rosalinda	Dy	17701 S. Avalon Blvd.	155	Carson	CA	90746
DO NOT SEND		17701 S. Avalon Blvd.	156	Carson	CA	90746
Michelle Pope	Revels	17701 S. Avalon Blvd.	157	Carson	CA	90746
Frederick and Marietta	Wilson	17701 S. Avalon Blvd.	158	Carson	CA	90746
Shirley Robson	& Karen Martin	17701 S. Avalon Blvd.	159	Carson	CA	90746
Rashi	Ono	17701 S. Avalon Blvd.	160	Carson	CA	90746
Madelyn Carolyn	Andrews	17701 S. Avalon Blvd.	161	Carson	CA	90746
Charles	Delozier	17701 S. Avalon Blvd.	162	Carson	CA	90746
Lonnie W.	Bliss	17701 S. Avalon Blvd.	163	Carson	CA	90746
Cilia and Miguel	Dominguez	17701 S. Avalon Blvd.	164	Carson	CA	90746
Roger A.	Cuenca	17701 S. Avalon Blvd.	165	Carson	CA	90746
Michael	Tucker	17701 S. Avalon Blvd.	166	Carson	CA	90746
David and Dora	Perez	17701 S. Avalon Blvd.	167	Carson	CA	90746
DO NOT SEND		17701 S. Avalon Blvd.	168	Carson	CA	90746
Maria	Cortez	17701 S. Avalon Blvd.	169	Carson	CA	90746
Jack and Juana	Slade	17701 S. Avalon Blvd.	170	Carson	CA	90746
Zulema	Morales	17701 S. Avalon Blvd.	171	Carson	CA	90746
Charis	Coleman	17701 S. Avalon Blvd.	172	Carson	CA	90746
Lolita	Christopher	17701 S. Avalon Blvd.	173	Carson	CA	90746



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PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am a resident of the State of California, over the age of eighteen years, and not a party to the within action. My business address is 15121 Ventura Boulevard, Sherman Oaks, California 91402. On May 20, 2011, I served the foregoing documents:

LEGAL NOTICE OF HEARING BEFORE THE CITY OF CARSON CITY COUNCIL (California Government Code § 66451.3)

- by sending a true copy of the foregoing document(s) by e-mail to each interested party at the e-mail address(es) set forth below. No e-mail transmission error was reported.
- by transmitting the document(s) listed above via facsimile from sending facsimile machine number to the fax number(s) set forth below on this date before 5:00 p.m. and receiving confirmed transmission reports indicating that the document(s) were successfully transmitted.
- by placing the document(s) listed above in a sealed envelope with postage thereon fully prepaid, in the United States mail at Sherman Oaks, California, addressed as set forth below.
- by causing overnight delivery by *FedEx* of the document(s) listed above to the person(s) at the address(es) set forth below.
- by causing personal delivery by _____ of the document(s) listed above to the person(s) at the address(es) set forth below.

**SEE ATTACHED SERVICE LIST
(Carson Harbor Village MHP
Mailing List -2011)**

I am readily familiar with the firm's practice for the collection and processing of correspondence for mailing. Under that practice it would be deposited with the U.S. Postal Service on that same day with postage thereon fully prepaid in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after the date of deposit for mailing in affidavit.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on May 20, 2011, at Sherman Oaks, California.

Elga V. Sanchez

Elga Sanchez

FILED
NOV 02 2010

ALEX CALVO, CLERK
BY KIM KILDSIG-DIBIASI
DEPUTY, SANTA CRUZ COUNTY

1 DANA McRAE, State Bar No. 142231
County Counsel, County of Santa Cruz
2 RAHN GARCIA, State Bar No. 129825
Chief Deputy County Counsel
3 JASON M. HEATH, State Bar No. 180501
Office of the County Counsel
4 Assistant County Counsel
701 Ocean Street, Room 505
5 Santa Cruz, California 95060
Telephone: (831) 454-2049
6 Fax: (831) 454-2115

7 **Attorneys for Respondents County of Santa Cruz
and Santa Cruz County Board of Supervisors**

9 SUPERIOR COURT OF CALIFORNIA
10 COUNTY OF SANTA CRUZ

12 PAUL GOLDSTONE TRUST U.T.D. June 27, 13 2003, 14 Petitioner, 15 v. 16 COUNTY OF SANTA CRUZ; COUNTY OF 17 SANTA CRUZ BOARD OF SUPERVISORS; DOES 1 through 10, inclusive, 18 Respondents.	Case No. CV 164458 [PROPOSED] ORDER DENYING PETITIONER'S MOTION IN SUPPORT OF ITS PETITION FOR WRIT OF MANDATE; AND [PROPOSED] JUDGMENT
---	--

21 **ORDER**

22 On September 29, 2010, the Court heard oral argument concerning petitioner Paul Goldstone
23 Trust's motion in support of its petition for a writ of mandate. Thomas W. Casparian represented
24 petitioner. Jason M. Heath and Rahn Garcia represented respondents County of Santa Cruz and the
25 Santa Cruz County Board of Supervisors. Terrence L. Hancock represented intervenor Alimur Park
26 Homeowners Association. Having considered the issues framed by the operative pleadings in this
27 action, reviewed the administrative record and the briefs filed by the parties, and having entertained
28 and considered oral argument by counsel for the parties, the Court rules as follows:

Paul Goldstone Trust v. County of Santa Cruz
Case No. CV 164458

[Proposed] Order Denying Petitioner's Motion; Judgment

EXHIBIT "8"



1 This case concerns petitioner's application to subdivide land that currently contains a rental
2 mobilehome park and convert it to resident ownership. Government Code section 66427.5(d)
3 requires that a subdivision applicant obtain a survey of support of residents of the mobilehome park
4 for the proposed conversion and details how the survey is to be conducted. Government Code
5 section 66427.5(d)(5) states that the "results of the survey shall be submitted to the local agency
6 upon the filing of the tentative or parcel map, to be considered as part of the subdivision map hearing
7 prescribed in subdivision (e)." In turn, Government Code section 66427.5(e) states that the
8 subdivider shall be subject to a hearing by the legislative body or advisory agency authorized by
9 local ordinance to approve, conditionally approve, or disapprove the map, and that the scope of the
10 hearing shall be limited to the issue of compliance with this section.

11 Here, the results of the survey reflect that the overwhelming majority of residents (117 of 119
12 returned votes) do not support the conversion application. It is undisputed that the Board of
13 Supervisors considered the results of the survey, and the residents' opposition to the conversion as
14 expressed in testimony and correspondence submitted as part of the public hearing, in denying the
15 application.

16 Petitioner argues that the survey is only significant to the extent that it was conducted and
17 that the Board of Supervisors may not consider the results themselves in its deliberation process.
18 Petitioner further argues that even if the Board may consider the survey results in rendering its
19 decision, the statutory scheme does not allow a local agency to deny a map application solely on the
20 basis of resident opposition as evidenced by the resident survey and testimony and correspondence
21 received at the hearing on the application, as the County concedes it did here. The County and
22 Intervenor argue that the statutory scheme vests the Board of Supervisors with discretion to consider
23 the results of the survey in its deliberation process and that here the Board had discretion to use the
24 results of the survey to determine whether or not the applicant had obtained the support of the
25 residents of the mobilehome park for the conversion.

26 The Court rejects petitioner's argument based on a plain reading of the statute, which states
27 that "The subdivider shall obtain a survey of support of the residents of the mobilehome park for he
28 conversion" and that the "results of the survey ... be considered" by the reviewing agency in



1 determining whether to “approve, conditionally approve, or disapprove” the map (the fact that
2 subsection (d)(5) is more specific than subsection (e) is also notable and supports the County’s
3 argument). In addition, the Legislature’s Statement of Intent indicates that in adding subsection
4 (d)(5) to this statute, the Legislature noted that under current law, a conversion of a mobilehome
5 park to resident ownership “could occur without the support of the residents and result in
6 displacement” and that, therefore, it is “the intent of the Legislature in enacting this act to ensure that
7 conversions pursuant to Section 66427.5 of the Government Code are bona fide resident
8 conversions.”

9 Furthermore, the recent decision of *Colony Cove Properties, LLC v. City of Carson* (2010)
10 ___ Cal.App.4th ___ is instructive. There, the Court rejected the same argument petitioner makes
11 here, determined that the “contents of the survey, as opposed to its mere existence, are relevant to the
12 approval process,” and noted that to construe the statute to eliminate the power of local agencies to
13 consider the results of the survey when processing a conversion application would “consign the ‘to
14 be considered’ language of subdivision (d)(5) to surplusage.” (Slip. Opn. at pp. 22-23.)

15 In this case, the Court finds that the Board of Supervisors properly exercised its discretion
16 when it considered the results of the resident survey. The stated intent of the Legislature in adding
17 the survey requirement was to grant local agencies the authority to deny conversions that lacked the
18 support of park residents in order to ensure that a conversion pursuant to section 66427.5 is a bona
19 fide resident conversion. The results of the survey completed by the applicant and filed with the
20 County for this discretionary application, as well as the testimony and correspondence submitted at
21 the public hearing held by the Board of Supervisors, evidenced near unanimous resident opposition
22 to the proposed conversion.

23 For the reasons set forth above, the Court determines that the Board of Supervisors, as the
24 local agency vested with discretion to weigh the facts supporting the basis for and against the
25 application, properly exercised its discretion in considering the results of the survey in its

26 ///

27 ///

28 ///



1 deliberations on the application. Accordingly, IT IS HEREBY ORDERED that petitioner's motion
2 in support of its petition for a peremptory writ of mandate is DENIED.

3 **IT IS SO ORDERED.**

4 **NOV 02 2010**
5 DATED: _____

TIMOTHY R. VOLKMANN

JUDGE OF THE SUPERIOR COURT

8 **JUDGMENT**

9 Based on the Court's order of this date denying petitioner Paul Goldstone Trust's motion in
10 support of its petition for writ of mandate, it is hereby ORDERED, ADJUDGED AND DECREED
11 that the petition for writ of mandate is dismissed with prejudice, that judgment in this matter lies in
12 favor of respondents County of Santa Cruz, et al., and intervenor Alimur Park Homeowners
13 Association and against petitioner Paul Goldstone Trust, and that petitioner shall obtain no relief by
14 way of the petition.

15 **NOV 02 2010**
16 DATED: _____

TIMOTHY R. VOLKMANN

JUDGE OF THE SUPERIOR COURT

18 ORDER AND JUDGMENT APPROVED AS TO FORM:

21 DATED: _____

Thomas W. Casparian
Attorney for Petitioner Paul Goldstone Trust

26 DATED: _____

Terrence Lee Hancock
Attorney for Intervenor Alimur Park HOA



1 deliberations on the application. Accordingly, IT IS HEREBY ORDERED that petitioner's motion
2 in support of its petition for a peremptory writ of mandate is DENIED.

3 **IT IS SO ORDERED.**

4
5 DATED: _____

6 JUDGE OF THE SUPERIOR COURT

7
8 **JUDGMENT**

9 Based on the Court's order of this date denying petitioner Paul Goldstone Trust's motion in
10 support of its petition for writ of mandate, it is hereby ORDERED, ADJUDGED AND DECREED
11 that the petition for writ of mandate is dismissed with prejudice, that judgment in this matter lies in
12 favor of respondents County of Santa Cruz, et al., and intervenor Alimur Park Homeowners
13 Association and against petitioner Paul Goldstone Trust, and that petitioner shall obtain no relief by
14 way of the petition.

15
16 DATED: _____


17 JUDGE OF THE SUPERIOR COURT

18 ORDER AND JUDGMENT APPROVED AS TO FORM:

19
20
21 DATED: _____

22 Thomas W. Casparian
23 Attorney for Petitioner Paul Goldstone Trust

24
25
26 DATED: 10/6/2010



27 Terrence Lee Hancock
28 Attorney for Intervenor Alimur Park HOA



1 **PROOF OF SERVICE**

2 I, the undersigned, state that I am a citizen of the United States and employed in the County
3 of Santa Cruz, State of California. I am over the age of 18 years and not a party to the within action.
4 My business address is 701 Ocean Street, Room 505, Santa Cruz, California 95060. On the date set
5 out below, I served a true copy of the following on the person(s)/entity(ies) listed below:

6 **[PROPOSED] ORDER DENYING PETITIONER'S MOTION IN SUPPORT OF ITS**
7 **PETITION FOR WRIT OF MANDATE; AND [PROPOSED] JUDGMENT**

8 by **service by mail** by placing said copy enclosed in a sealed envelope and depositing the sealed
envelope with the United States Postal Service with the postage fully prepaid.

9 by **service by mail** by placing said copy enclosed in a sealed envelope and placing the envelope
10 for collection and mailing on the date and at the place shown below following our ordinary business
11 practices. I am readily familiar with this business's practice for collecting and processing
12 correspondence for mailing. On the same day that correspondence is placed for collection and
mailing, it is deposited in the ordinary course of business with the United States Postal Service with
postage fully prepaid.

13 by **personal service** at a.m./p.m. at _____.

14 by **express or overnight mail** by depositing a copy in a post office, mailbox, sub-post office,
15 substation, mail chute, or other like facility regularly maintained by the United States Postal Service
for receipt of express mail or a mailbox, mail chute, or other like facility regularly maintained by an
16 overnight mail company, in a sealed envelope, with express mail postage paid addressed to the
below listed person(s).

17 by **express or overnight mail** by arranging for pick-up by an employee of an express/overnight
18 mail company on:

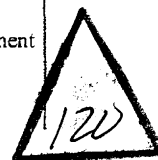
19 by **facsimile service** at the number listed below and have confirmation that it was received by:

20 **Thomas W. Casparian, Esq.** (Attorney for Goldstone)
21 **GILCHRIST & RUTTER**
22 **Wilshire Palisades Building**
1299 Ocean Avenue, Suite 900
Santa Monica, CA 90401-1000

23 **Terrence Lee Hancock, Esq.** (Attorney for Intervener)
24 **Senior Citizens Legal Services**
25 **501 Soquel Avenue, Suite F**
Santa Cruz, CA 95062

26 I declare under penalty of perjury that the foregoing is true and correct. Executed on October
27 6, 2010, at Santa Cruz, California.

28 _____
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MARIA VARGAS



1 The administrative record regarding this proposed development spans nine volumes and
2 represents five years of work by the park's owner and the City of Goleta. The record reveals that
3 the City, a relatively young entity, has attempted to discharge its duties diligently: it shows a city
4 council concerned with fulfilling its obligations of oversight on such important issues as rent
5 control, affordable housing, and mobile home park conversions. The council has wisely relied on
6 the expertise and assistance of able counsel.

7 But the record also shows that the City did not correctly apply the dictates of Government
8 Code 66427.5 in its decision conditionally approving the development when there was no
9 evidence that an agreement had been reached between the homeowners association and the park
10 owners as to the resident survey to be conducted.

11 The survey results are important because they might indicate to the City that the proposed
12 project is a sham. A tenant survey is a relevant and material piece of information for the City to
13 consider, as its oversight role is not merely ministerial in nature. It must also account for the
14 health, welfare and safety of its citizens. Preventing a sham conversion, one that lacks resident
15 support, is within the realm of the City's duties. In other words, the City is more than a rubber
16 stamp and must concern itself with such details. See Colony Cove Properties LLC v. City of
17 Carson (2010) 187 Cal. App. 4th 1487.

18 Government Code Section 66427.5 reads in relevant part:

19 **At the time of filing a tentative or parcel map for a subdivision to be created from the**
20 **conversion of a rental mobile home park to resident ownership, the subdivider shall avoid**
21 **the economic displacement of all non-purchasing residents in the following manner.**

22 **(a) The subdivider shall offer each existing tenant an option to either purchase his or her**
23 **condominium or subdivided unit, which is to be created by the conversion of the park to**
24 **resident ownership, or to continue residency as a tenant.**

25 **(b) The subdivider shall file a report on the impact of the conversion upon residents of the**
26 **mobilehome park to be converted to resident owned subdivided interest.**



1 (c) The subdivider shall make a copy of the report available to each resident of the
2 mobilehome park at least 15 days prior to the hearing on the map by the advisor agency or
3 if there is no advisory agency, by the legislative body.

4 (d)(1) The subdivider shall obtain a survey of support of residents of the mobilehome park
5 for the proposed conversion.

6 (2) The survey of support shall be conducted in accordance with an agreement between the
7 subdivider and a resident homeowners' association, if any, that is independent of the
8 subdivider or mobilehome park owner.

9 (3) The survey shall be obtained pursuant to a written ballot.

10 (4) The survey shall be conducted so that each occupied mobilehome space has one vote.

11 (5) The results of the survey shall be submitted to the local agency upon the filing of the
12 tentative or parcel map, to be considered as part of the subdivision map hearing prescribed
13 by subdivision

14 (e) The subdivider shall be subject to a hearing by a legislative body or advisory agency
15 which is authorized by local ordinance to approve, conditionally approve, or disapprove
16 the map. The scope of the hearing shall be limited to the issue of compliance with this
17 section.

18 Exhibit 29, in Volume 1 of 9, beginning at page 208, contains the survey sent to the mobile
19 home owners in April 2005. Both sides agree that this survey was sent out unilaterally by the
20 park owners in spite of the language of Government Code 66427.5(d) (2) which requires the
21 survey to be conducted in agreement with the owners. Furthermore, from the record it is clear
22 that the homeowners actively resisted participating in this endeavor because they had no hand in
23 its creation.

24 The survey reads:

- 25 Yes, I would like to see Rancho Mobile Homes converted to a subdivision
26 No, I would not like to see Rancho Mobile Homes converted to a subdivision.
27 I do not have enough information about the cost of ownership of a subdivision lot to make a
28 purchase decision at this time.



1 _____ Based on the information I currently have I am concerned that I may not be able to afford
2 to purchase my lot after subdivision.

3 _____ Based on the information I currently have, I am concerned that I may not be able to afford
4 to continue to rent my space after subdivision.

5 Please add any other comments here: _____

6 Out of 150 households, 33 sent a response, and out of those 33, only six supported the
7 conversion.

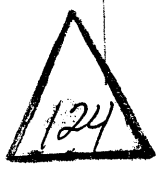
8 The survey was *allegedly* reprised in April 2006. But curiously, the end result was identical
9 to 2005: the language of the survey was the same, and the results remained the same: out of 150
10 households, 33 answered, with only six households in favor of the conversion.

11 There is no evidence in the administrative record to support the Park owner's contention
12 that a second survey was done in 2006 *with the agreement* of the homeowner's association. In
13 his argument Mr. Casparian cited to page 297, but that page merely contains a copy of the survey
14 above with a handwritten note at the top of the page "Resident Agreed Survey". The author of
15 the note remains unknown. The note is hearsay and cannot support the contention that there was
16 any such agreement.

17 In addition, it is clear from the transcript of the board meeting itself that the council did
18 not discuss the survey results at all, contrary to Mr. Giles' argument otherwise, citing to the
19 administrative record at pages 2065 (which contains a resolution deeming the project complete),
20 page 2081 (where a Mr. Tatro is arguing that there was no bonafide survey conducted), and page
21 2091 (where yet another resident is arguing that no survey was properly conducted).

22 The court concludes that in addition to the fact that no survey was ever conducted with
23 homeowner approval, the City did not perform its duty *to consider* the survey results in its vote
24 to approve the development and send it on to the Coastal Commission for its scrutiny.

25 Mr. Giles argued that an absence of agreement between the park owner and the owner's
26 association is an insignificant fact, for an owners association does not have the right *to veto* a
27 condominium conversion such as this one. The City received the survey and its consideration is
28 presumed.



1 The Court must respectfully disagree, as the record contains no evidence to support the
2 argument made that the City considered a properly conducted survey. Indeed, it appears that the
3 City, on advice of counsel, believed at the time of the March 2006 hearing that it had no
4 discretion to question the survey's origins, composition or results.

5 In conclusion, the court finds that the City's preliminary approval of the mobile home
6 conversion of Goleta Mobile home Park March 2006 was not supported by evidence and that the
7 City, in spite of its excellent intentions, abused its discretion in failing to ascertain that a proper
8 survey had been conducted, depriving it of a meaningful opportunity to consider the results as
9 part of its analysis of the merits of approving the project.

10 The order of approval is set aside.

11 The matter is returned to the City of Goleta for further proceedings. The City shall require
12 Goleta Mobile Home Park to meet and confer with the president and officers of Monarch
13 Country Mobilehome Owners Association to draft a survey that comprehensively embraces the
14 elements outlined in the Government Code, circulate it properly for a ballot vote by all park
15 residents, and resubmit the results to the City for its due consideration (discussion among all
16 council members at the very least) at the next subdivision map hearing convened on this project.
17 The agreement between the park and the homeowners association shall be memorialized in
18 writing and submitted to the City so that it has tangible proof that an agreed upon survey has
19 been created on which it can reasonably rely.

20 SO ORDERED

21 January 23, 2011



JUDGE OF THE SUPERIOR COURT



CITY OF CARSON

CITY COUNCIL

RESOLUTION NO. 07-106

A RESOLUTION OF THE CITY COUNCIL TO AFFIRM THE PLANNING COMMISSION'S DECISION TO DENY TENTATIVE PARCEL MAP NO. 27014 FOR THE RESIDENTIAL CONVERSION OF CARSON HARBOR VILLAGE MOBILEHOME PARK LOCATED AT 17701 AVALON BOULEVARD (APN NO. 7339001005)

THE CITY COUNCIL OF THE CITY OF CARSON HEREBY RESOLVES FOLLOWS:

Section 1. An application was duly filed by the applicant, Carson Harbor Village, Ltd., (the "applicant") with respect to the real property located at 17701 Avalon Boulevard, Carson, California. The area is shown in Exhibit "A" attached hereto. The application requests approval of Tentative Parcel Map No. 27014. The property is currently developed with a 420 unit mobile home park, Carson Harbor Village Mobile Home Park (the "park"). The applicant is requesting approval of a parcel map for condominium purposes in order to convert the rental park to a nominal residential ownership park.

Section 2. Said application was submitted to appropriate agencies as required by the Subdivision Regulations of the City of Carson, with the request for their review, comments and requirements.

Section 3. A Subdivision Meeting was held on October 18, 2006, when the applicant, staff and representatives of agencies were present.

Section 4. The Planning Commission held duly noticed public hearings were held on November 14, 2006, and December 12, 2006, January 9, 2007, January 23, 2007, March 13, 2007, April 22, 2007, May 8, 2007, May 22, 2007 and June 12, 2007 at 6:30 P.M. at the City Hall Council Chambers, 701 East Carson Street, Carson, California. A notice of the time, place and purpose of the aforesaid meetings was duly given in the manner required by law. After consideration of the evidence and testimony, the Planning Commission voted to deny Tentative Parcel Map No. 27014.

Section 5. Evidence, both written and oral, was duly presented to and considered by the Planning Commission at the aforesaid meeting.

Section 6. The applicant submitted a letter requesting an appeal of the Planning Commission decision to deny Tentative Parcel Map No. 27014 on June 25, 2007.

Section 7. The City Council held public hearings on July 17, 2007, July 30, 2007 and September 4, 2007 at 6:00 P.M. at the City Council Chambers, 701 East Carson Street, Carson, California. A notice of time, place and purpose of aforesaid meetings was duly given.



Section 8. Evidence, both written and oral, was duly presented to and considered by the City Council at the aforesaid meetings, including but not limited to staff reports, along with testimony received by the applicant and other members of the public.

Section 9. The City Council finds that

1. Mobile home park units comprise approximately 9% of the City of Carson's ("City") total households with 2,405 senior and family households located in 23 mobilehome parks citywide.
2. Based on a survey conducted by the City in or about October of 2005, approximately 79% of the mobile home park residents within the City are low-income or very low-income households as defined by United States Department of Housing and Urban Development; and
3. Based on a survey conducted by the City in or about October of 2005, approximately 14% of the mobile home park residents within the City are moderate income households as defined by United States Department of Housing and Urban Development.
4. Based on a survey conducted by the City in or about October of 2005, approximately 39% of the mobile home park residents within the City are senior citizens.
5. Based on a survey conducted by the City in or about October of 2005, approximately 49% of the mobile home park households within the City have a disabled member.
6. Approximately 80% of the City's affordable housing units are located within the mobile home parks.
7. Mobile home parks provide a significant pool of affordable housing for very low, low, and moderate income families, senior citizens, and the disabled residents in the City.
8. Approximately 60% of the Carson Harbor Village's residents are low-income or very low-income households as defined by United States Department of Housing and Urban Development.
9. Approximately 20% of the Carson Harbor Village's residents are moderate income households as defined by United States Department of Housing and Urban Development.
10. Approximately 33% of the Carson Harbor Village's households are senior citizens.
11. Approximately 55% of the Carson Harbor Village's households have a disabled member.

12. The General Plan Housing Element Goal H-4 is "Protection of the supply of affordable housing." Policy No. H-4.4 states "The City should limit the conversion of affordable rental units to ownership units." Implementation Measure No. H-IM-4.2 states in part, "Protection of mobile home park tenants. ...Mobile home parks constitute a significant portion of the low- and moderate-income housing in the City. The City has rent control for mobile home spaces only..."

13. The 1999-2005 Action Plan from the Housing Element includes:

- Continue to require rent control for the City's mobile home parks.
- Assist with mobile home park rehabilitation or conversion to ownership housing if appropriate and/or feasible.
- Assess the reasons for mobile home park closures and assist mobile home park owners in finding a solution to resist closure.

14. The City's overall goal is to preserve low and moderate-income housing throughout the City. The proposed subdivision will not advance that goal, in general, and, in particular, the proposed subdivision will not maintain the existing supply of affordable mobilehome spaces because, under state law, upon the vacancy of any rental condominium unit, rents to future residents will not be regulated to assure the same remain affordable to low and moderate income renters, and upon the date of conversion, rents for non-purchasing non-low income renting residents will rise to market rates not affordable to moderate or low-income residents. Purchasing residents will not be required to maintain their condominium unit as affordable.

15. The General Plan's current Housing Goals and Policies, specifically goals H-3 and H-4 provide that the City shall seek to provide an adequate supply of housing for all economic segments of the City and the City shall protect and preserve the existing supply of affordable housing. H-4.3 specifically holds that the City's policy is to "[e]ncourage the preservation of affordable rental housing and H-4.4 states that the City shall "[l]imit the conversion of affordable rental units to ownership units." The proposed subdivision will not advance that goal, in general, and, in particular, the proposed subdivision will not maintain the existing supply of affordable mobilehome spaces for all economic segments of the City because, under state law, upon the vacancy of any rental condominium unit, rents to future residents will not be regulated to assure the same remain affordable to all economic segments of the City, and upon the date of conversion, rents for non-purchasing non-low income renting residents will rise to market rates not affordable to all income segments of the City. Purchasing residents will not be required to maintain their condominium unit as affordable. Nothing in the proposed subdivision either encourages the preservation of affordable rental housing or limits the conversion of affordable rental units to ownership units.

16. The General Plan's current Open Space Element identifies the wetland within Carson Harbor Village Mobilehome park as the only open space within the city identified by a local, regional or state open space plan pursuant to Government Code Section 65560. This wetland covering approximately 17 acres,

provides habitat for a variety of plants and small animals. The California Department of Fish and Game regulates all maintenance and activities associated with the wetlands. Any request to divert or obstruct the natural flow of, or change the bed, channel, or bank of, or use material from the stream bed of the unnamed drainage tributary to the Dominguez Channel requires approval of an agreement regarding proposed stream or lake alteration from the Department of Fish and Game.

17. During the review of rent increase applications pursuant to the Carson Rent Stabilization Control Ordinance and the subject application, the city has been routinely informed that compliance with the California Department of Fish and Game is complex and requires significant knowledge of applicable procedures. Park management is required to commit large amounts of time and resources to ensure compliance with applicable standards and procedures.

18. The testimony from residents at the public hearing indicated that residents, in general, are concerned that unreasonable maintenance responsibilities and liability will be assumed upon conversion of the park to resident ownership.

19. The Carson Harbor Village wetland accepts drainage from areas located to the north and east of the park. Drainage is received from the Artesia Freeway, City of Carson, City of Compton and unincorporated areas of Los Angeles County. There has been prior litigation involving the wetland due to contamination caused by illegal dumping or drainage from outside of the wetland. There are insufficient protective measures to ensure that future contamination will not occur within the wetlands due to illegal dumping of materials into the storm drain or accidental spills that result in materials flowing into the storm drain and wetland area.

20. The proposed subdivision will impose unique and substantial burdens on the resulting mobilehome park homeowners' association for compliance with federal and/or state laws with respect to the open space marsh within the proposed subdivision that could result in an inability of such homeowners' association to meet the goals of the City's Open Space Element. Under either the applicable conditions, covenants, and restrictions, or the Davis-Sterling Common Interest Development Act, the resulting homeowners' association will lack the expertise, the financial resources (either in the form of reserves or insurance), or administrative oversight to address the maintenance, potential liability, or regulatory adherence of the open space marsh.

21. Pursuant to City of Carson's Municipal Code § 9209.5(B) the Planning Commission and/or City Council shall disapprove a tentative map or preliminary parcel map for a residential conversion project, if it finds that the map is not substantially consistent with the provisions of the City's General Plan or any applicable specific plans.

22. Approving this application is, therefore, inconsistent with the General Plan housing goals and policies.

23. The legislature has adopted AB-930 (Stats 2002 Ch. 1143, § 1), adding the requirement that an applicant for a discretionary map "obtain a survey of support of residents of the mobile home park for the proposed conversions", and that the survey "be considered as part of the subdivision map hearing."

24. The legislature further declared: "It is the intent of the legislature to address the conversion of a mobile home park to resident ownership that is not a bona fide resident conversion, as described by the Court of Appeal in *El Dorado Palm Springs, Limited v. City of Palm Springs* (2002) 96 Cal. App. 4th 1153. The court in this case concluded that the subdivision map approval process specified in Section 66427.5 of the Government Code may not provide local agencies with the authority to prevent non-bona fide resident conversions. The court explained how a conversion of a mobile home park to resident ownership could occur without the support of residents and result in economic displacement. It is, therefore, the intent of the Legislature in enacting this act to ensure that conversions pursuant to Section 66427.5 of the Government Code are *bona fide* resident conversions."

25. The survey of support submitted by the applicant in the record before the Planning Commission established that, of the 420 spaces, there were 129 responses to the survey. Forty-nine of those responses indicated support for conversion; 44 of those responses indicated opposition to the conversion; 24 of those responses declined to state a position on conversion and 12 gave no answer. The demonstrated level of resident support for conversion (at 11%) is insufficient to conclude, based upon substantial evidence from the record, that the Planning Commission can make a finding that approval of the application will result in *bona fide* resident conversion.

26. The testimony from residents at the public hearing indicated that residents, in general, do not support the conversion of the park or this application.

27. There is no evidence in the record that the survey of support was conducted in accordance with an agreement between the applicant and a resident homeowners association that is independent of the applicant or the mobilehome park owner as required by Government Code § 66427.5(d)(2).

28. The tenant impact report submitted by the applicant does not satisfy the requirements of Government Code § 66427.4 in that it fails to report on the impact of the conversion upon displaced residents of this park.

29. The tenant impact report submitted by the applicant does not satisfy the requirements of Government Code § 66427.4 in that it fails to address the availability of adequate replacement space in mobilehome parks.

30. The tenant impact report fails to properly disclose the extraordinary measures needed to meet the requirements of the California Department of Fish and Game and fails to acknowledge the unreasonable liability and maintenance responsibilities that will be borne by the resident owners following the date of conversion.

31. The tenant impact report fails to address the significant remediation costs should the park be determined responsible for contamination within the wetland and concludes, without evidentiary support, that there will be no displacement of residents due to potential increases in assessments to cover unusual and unexpected costs associated with the wetlands.



32. The tenant impact report concludes, without evidentiary support, that there will be no displacement of residents because the applicant will not exercise the right to terminate tenancies, and fails to acknowledge or consider the impact of rent increases on the continued financial viability of non-low income non-purchasing residents remaining as park renters following the date of conversion.

33. The tenant impact report fails to estimate the likely increase in rental rates on non-low income non-purchasing residents, or the impact of such rental adjustments on available disposable income, to determine if such rent increases as are allowed in Government Code § 66427.5 could or will result in short- or long-term resident displacement.

34. The tenant impact report concludes, without evidentiary support, that because the applicant has waived the right to terminate tenancies, there will be no non-low income non-purchasing resident displacement as a result of the conversion without considering whether the economic impact of annual rent increases may result in resident displacement.

35. The tenant impact report fails to address the availability of adequate replacement space in mobilehome parks because the report concludes, without evidentiary support, that because there will not be immediate terminations of tenancies by the applicant, there will be no displacement as a result of the application.

Section 10. Pursuant to Government Code Section 66473.5, the City Council finds that the proposed conversion of the park to nominal resident ownership is incompatible with the objectives, policies, and general land use and programs provided in the City's General Plan.

Section 11. Pursuant to Government Code Section 66474, the city shall deny approval of a parcel map if it makes *any* of the findings listed below. The City Council, therefore, finds as follows:

- a) ***That the proposed map is not consistent with applicable general and specific plans as specified in Section 65451.***

Pursuant to the General Plan, the proposed subdivision map is not consistent with the density, goals, policies and objectives for low density residential development applicable to the property in question.

Section 12. Pursuant to Government Code Sections 66427, 66427.4, 66427.5, 66451, 66452 and the City of Carson Municipal Code Sections 9202.1 through 9209.8, the Planning Commission further determines as follows:

- a) That each resident of the park has received all applicable notices and rights now or hereafter required by Section 66427 and in Chapter 3 of the California Subdivision Map Act (commencing with Section 66451);
- b) That the applicant has failed to demonstrate that a survey of support was conducted in conformance with Government Code § 66427.5;

- c) That the applicant has failed to demonstrate that there is sufficient resident support for this application sufficient to enable the Planning Commission to find and determine that approval of this application will result in a *bona fide* conversion to resident ownership in conformance with Government Code § 66427.5;
- d) That the applicant has failed to comply with Government Code § 66427.4 in that the Tenant Impact Report fails to adequately consider the impact of the proposed conversion upon the displaced residents of the park.
- e) The tenant impact report submitted by the applicant does not satisfy the requirements of Government Code § 66427.4 in that it fails to report on the impact of the conversion upon displaced residents of this park.
- f) The tenant impact report submitted by the applicant does not satisfy the requirements of Government Code § 66427.4 in that it fails to address the availability of adequate replacement space in mobilehome parks.
- g) The survey of support is insufficient to support a finding that approval of this application will result in a *bona fide* conversion to resident ownership as required by Government Code § 66427.5.

Section 13. Based on the foregoing, the City Council affirms the Planning Commission's decision to deny Tentative Parcel Map No. 27014.

Section 14. This action shall become final and effective fifteen days after the adoption of this Resolution.

Section 15. The City Clerk shall certify to the adoption of the Resolution and shall transmit copies of the same to the applicant.

PASSED, APPROVED AND ADOPTED THIS 4th DAY OF SEPTEMBER, 2007.


MAYOR JIM DEAR

ATTEST:


CITY CLERK HELEN KAWAGOE

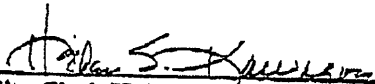
APPROVED AS TO FORM:


CITY ATTORNEY

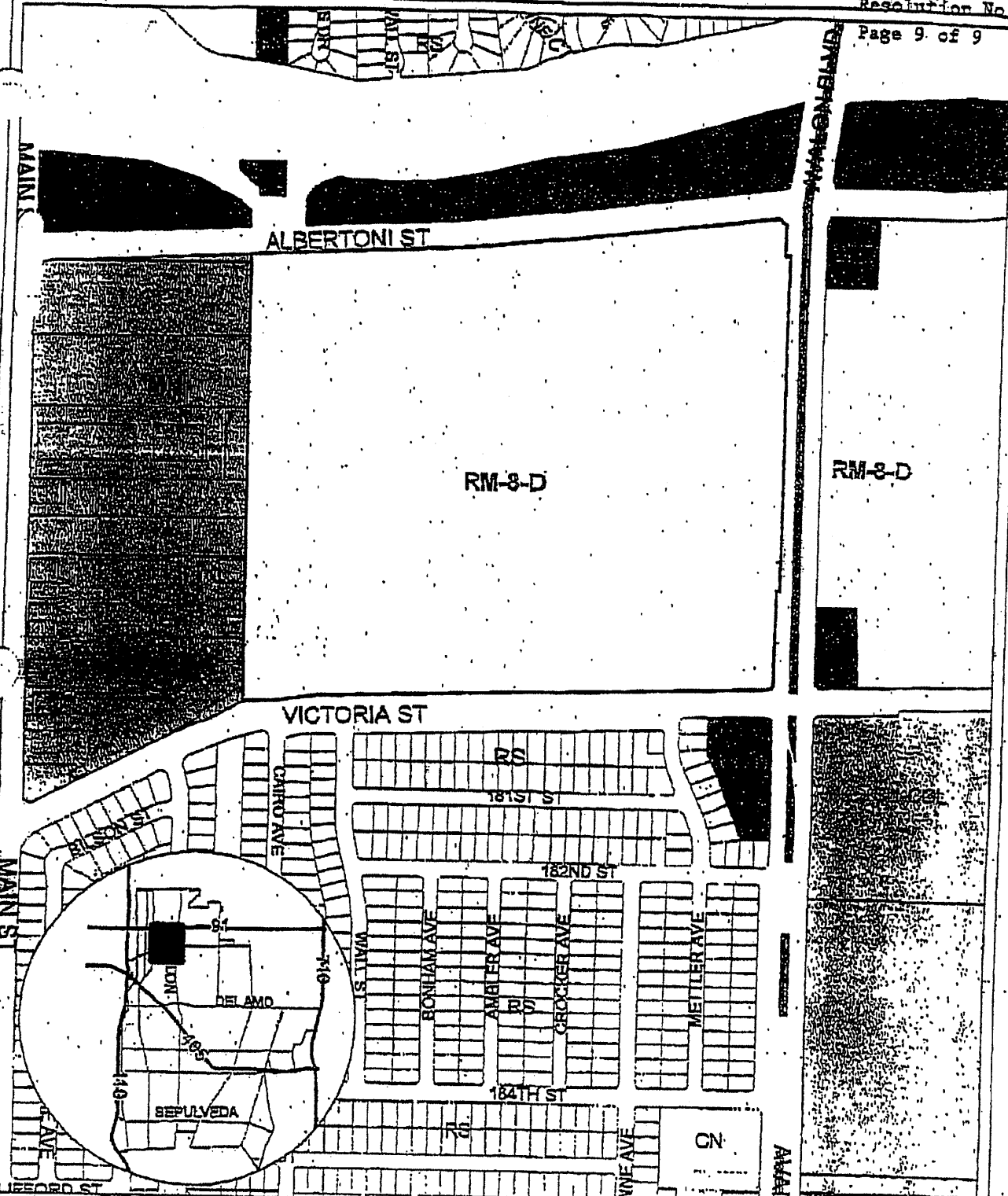
STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss.
CITY OF CARSON)

I, Helen S. Kawagoe, City Clerk of the City of Carson, California, do hereby certify that the whole number of members of the City Council is five; that the foregoing resolution, being Resolution No. 07-106 was duly and regularly adopted by said Council at a regular meeting duly and regularly held on the 4th, September 2007, and that the same was passed and adopted by the following vote:

AYES:	COUNCIL MEMBERS:	Mayor Dear, Santarina, Williams
NOES:	COUNCIL MEMBERS:	None
ABSTAIN:	COUNCIL MEMBERS:	Gipson & Davis-Holmes
ABSENT:	COUNCIL MEMBERS:	None



City Clerk Helen S. Kawagoe



City of Carson

ZONING MAP FOR 17701 AVALON BLVD

134




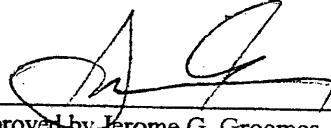
City of Carson Report to Mayor and City Council

3/2
abstain

September 4, 2007
Special Orders of the Day

SUBJECT: CONTINUED PUBLIC HEARING TO CONSIDER AN APPEAL OF THE PLANNING COMMISSION DECISION TO DENY TENTATIVE PARCEL MAP NO. 27014 PROVIDING FOR CONVERSION TO RESIDENT OWNERSHIP FOR THE CARSON HARBOR VILLAGE MOBILEHOME PARK LOCATED AT 17701 AVALON BOULEVARD (APN NO. 7339-001-005)

Submitted by 
Development Services General Manager

Approved by 
City Manager

I. SUMMARY

On June 25, 2007, an appeal of the Planning Commission decision to deny Tentative Parcel Map (TPM) No. 27014 for the conversion of Carson Harbor Village (CHV) Mobilehome Park to a resident-owned park was filed on behalf of the owner seeking review by the City Council. On July 17, 2007, the City Council voted to continue the public hearing for the appeal of the denial of TPM No. 27014 to July 30, 2007. On July 30, 2007, the public hearing was continued to September 4, 2007.

The appeal was continued to this meeting to obtain information on the First Time Home Buyer's Program (FTHBP), how the FTHBP could assist the mobilehome parks' low and moderate income residents and to suggest other programs that could assist the low-income residents of CHV Mobilehome Park. In response, staff and the applicant's representatives have prepared a Settlement Agreement that proposes additional incentives and measures agreed to by the applicant to benefit the conversion process for CHV residents. A significant new measure proposed by the applicant is a loan fund up to \$10 million dollars to assist low- and moderate-income residents seeking to purchase these spaces. This loan will have all payments of interest and principle deferred until the unit transfers. The underwriting terms of the loan will be similar to those utilized for the FTHBP. The Settlement Agreement will be included as a condition of approval and will provide assurance that the conversion process will proceed as directed by the City Council and in compliance with the measures identified in the Memorandum of Understanding (MOU) negotiated by the CHV Homeowner's Association (HOA) Board of Directors.

04644



II. RECOMMENDATION

TAKE the following actions:

1. OPEN the continued Public Hearing, TAKE additional public testimony, and CLOSE the continued Public Hearing.
2. WAIVE further reading and ADOPT Resolution No. 07-104, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, REVERSING THE PLANNING COMMISSION'S DECISION AND APPROVE TENTATIVE PARCEL MAP NO. 27014 FOR THE RESIDENTIAL CONVERSION OF CARSON HARBOR VILLAGE MOBILEHOME PARK LOCATED AT 17701 AVALON BOULEVARD (APN No. 7339001005)."
3. APPROVE the Negative Declaration providing for conversion to resident ownership for the Carson Harbor Village Mobilehome Park located at 17701 Avalon Boulevard.
4. APPROVE a Settlement Agreement between the City of Carson and Carson Harbor Village, Ltd.
5. DIRECT staff to draft a modification to the First Time Home Buyer's Program allowing for an increase in the potential loans provided to qualified households and to specifically allow for spaces within resident-owned mobilehome parks to be eligible.

III. ALTERNATIVES

DENY Tentative Parcel Map (TPM) No. 27014. A draft resolution has been prepared for the City Council if the findings necessary to support approval of TPM No. 20714 can not be made in the affirmative.

IV. BACKGROUND

The applicant is proposing TPM No. 27014 to allow Carson Harbor Village Mobilehome Park (CHV) to be converted from a rental park to a resident-owned park. CHV is a 420-space mobilehome park located on the west side of Avalon Boulevard, south of Albertoni Street and north of Victoria Boulevard. On June 12, 2007, after a series of public hearings, the Planning Commission voted to deny TPM No. 27014. On July 30, 2007, the City Council held a public hearing at which time there was testimony both for and against overturning the Planning Commission's recommendation for denial. The City Council asked staff for additional information on financial assistance that could be provided the residents of CHV. Testimony and discussion identified various areas of concern requiring further analysis, discussion and resolution. In summary, the issues identified by residents and the Council include the following:



September 4, 2007

1. Concern that the city's First Time Home Buyer's Program will not provide enough assistance to allow residents to purchase.
2. Concern that low-income residents will not be able to purchase.
3. Concern that residents and the city do not know the actual space purchase price.
4. Concern that the state law requiring rent control protection for very low- and low-income residents is not guaranteed to be in place for the indefinite future or that the property owner will find some means of getting out of the requirement.
5. Concern that the property owner will not adhere to the MOU negotiated with the Homeowner's Association Board of Directors and/or the conditions of approval required by the Council to allow approval of the conversion.
6. Misunderstanding and concern regarding the protections and incentives offered by the owner.
7. Possible impact of new state legislation and impact to CHV.

ANALYSIS**First Time Home Buyer's Program and Other Loan Assistance**

The Redevelopment Agency currently has a First Time Home Buyer's Program (FTHBP) which provides up to \$100,000.00 maximum loan for residents qualifying for assistance in purchasing a home or condominium. The program currently does not include the provision of assistance for purchase of mobilehomes or mobilehome spaces. The program provides up to a \$100,000.00 loan depending on the needs of the resident. The loan is typically a second mortgage on the home. No payments are made for the first 10 years of the program. No interest is accrued for the first 10 years of the program. In year 11, interest begins to accrue at 5% and payments begin toward the amortization of the loan. The payments would be approximately \$600.00.

In response to City Council concerns regarding affordability, the Housing Division has evaluated the current FTHBP and determined that escalating housing costs have limited participation in the program. Since 2004, only eight loans have been funded. The Housing Division is proposing to amend the program to increase the maximum loan amount to \$150,000.00 per qualified household. Qualifying households must not have owned a home or condominium within the past three years.

The Housing Division agrees that mobilehomes located within resident-owned mobilehome parks should be allowed to participate in the FTHBP. The cost for purchasing within a mobilehome park will be substantially less than the purchase

September 4, 2007

of a conventional home or condominium. As such, there will be significantly more opportunity to promote homeownership through the FTHBP if resident-owned mobilehome parks are allowed within the program. The Housing Division believes that the program should provide the same eligibility requirements and loan terms for single family homes, condominiums and mobilehomes or manufactured housing located within a resident-owned mobilehome park.

The following information illustrates the possible application of the FTHBP if it were to be utilized at CHV. Assuming 20% of the CHV resident households qualify as moderate income (as indicated in the 2005 survey conducted by the city), a potential of 84 households could request loans through the FTHBP. The actual number of applications from CHV is unknown but, over time, is expected to assist numerous households subject to funding availability. The expectation is that the majority of households would not need loans at the \$150,000.00 maximum assistance level. Assuming each loan is between \$100,000.00 to \$150,000.00, the FTHBP would need \$8.4 million to \$12.6 million to assist 84 moderate income households within CHV.

Based upon concerns raised by the City Council, the applicant's representatives and staff evaluated various means of assisting low income households seeking to purchase their spaces, which two new measures have been indentified. The first measure requires commitments by the applicant, the city's FTHB and State funds, if available. The State has a financial assistance program called the Mobilehome Park Resident Ownership Program (MPROP) that assists low-income residents with the purchase of their mobilehome and/or space. The applicant has agreed to freeze the initial purchase price for all low-income households making application to purchase utilizing MPROP. In addition, the applicant will honor the discount of 10% if the resident initiates the purchase within the first 60 days and 5% with the first 120 days of when the spaces become available for sale. In recognition of the applicant funded loan program and the stabilization of purchase price, the city will commit to utilize the FTHB to assist the low-income household with the 5% downpayment required by MPROP. Assuming 65% of the households qualify as very low and low income (as indicated in the 2005 survey conducted by the city), a potential of 273 households could request loans through MPROP. The 5% downpayment assistance through the FTHBP could necessitate approximately \$2.5 million commitment plus additional funds provided by the applicant loan program to address any gap financing needs.

The second measure proposes that the applicant match the level of FTHB funds committed by the city up to \$10 million dollars. The applicant loan program will mirror the loan underwriting requirements utilized in MPROP and will provide loans at 5% simple interest over a 30-year term to both low- and moderate-income households. This program will provide an attractive alternative to CHV residents and is designed to be of particular benefit to low-income households. The

September 4, 2007

applicant will also design the loan program to provide special funding assistance to certain households with financial circumstances associated with medical expenses or other specialized needs.

MPROP funding is somewhat limited and will likely take several rounds of applications to assist all of the low-income households seeking to purchase within CHV. The stabilization of the purchase price until MPROP funding options are exhausted will provide greater assurance that the low-income household will ultimately become homeowners.

Staff is encouraging that MPROP funds be requested from the state. If these funds are available and the resident qualifies, the use of MPROP funds will be used before any city or applicant loan funds because MPROP offers better repayment schedules since the total housing expenses including HOA dues, insurance, utilities and taxes can not exceed 40% of the low-income household's payment. Use of MPROP funds may result in lower monthly payments for low-income households since the state regulates the maximum amount that the resident can pay towards housing costs.

Settlement Agreement/ Memorandum of Understanding

The negotiations between the applicant and CHV Homeowners' Association (HOA) resulted in a MOU detailing incentives offered by the applicant to the park residents. This document was signed by the applicant and the HOA Board on July 11, 2007 before the resident vote was taken regarding support or opposition to the conversion. Ultimately, the Board did not endorse the approval of the conversion since there was not a majority of residents voting in favor. The Board obtained significant concessions from the applicant through the MOU. The MOU will not be effective unless the TPM No. 27014 is approved by the City Council. Staff and the applicant's representatives have agreed to include all the incentives from the MOU in the Settlement Agreement (Exhibit No. 1) and Conditions of Approval (Exhibit B to the Resolution). The only modification to the MOU measures is that the cap of 30 residents eligible for the reduction from Moderate Income to Low Income in the first 3 years after the conversion was eliminated. Any moderate-income resident who drops in income level to low-income will now be offered rent stabilization.

The staff and applicant representatives have drafted a Settlement Agreement that incorporates the MOU, except as modified for the moderate to low income protections, and includes new measures and incentives that specifically address issues raised by the City Council and residents. The Settlement Agreement includes the following:

- Purchase Price Discount – A 10% discount from the purchase price will be given to residents who open escrow on their space within the first 60 days that

the spaces are offered for sale. A 5% discount will be given to residents who open escrow in the second 60 days. Low income households will remain eligible for the discount from the initial purchase price until MPROF funding options are exhausted provided the escrow funded was opened within the time period.

- **Additional Moderate Income Rent Increase Protections** – The moderate-income resident will have their rent increased over 6 years rather than the 4 years provided by the Government Code.
- **Additional Protection for residents whose income is reduced from Moderate to Low Income** – If a moderate-income resident becomes a low-income resident within the first 3 years of the 6-year rent increase period, they shall have the then monthly base rent paid by the resident be subject to the lower income rate increases. The stipulation limiting this protective measure to 30 households has been eliminated.
- **Park Upgrades and Improvements** – The applicant agrees to spend \$530,000.00 in special park improvements, as identified in the MOU, within 2 years of the Final Parcel Map approval. Upgrades include tree maintenance, wetland maintenance, replacement of a portion of the wall on Albertoni Street, street and driveway repair and the installation of street lights on Albertoni Street and Avalon Boulevard.
- **Increased Fixed Purchase Price Period** – The applicant shall lengthen the fixed purchase price period from 90 days to 6 months. The price shall remain fixed until the loan closes.
- **Recent rent increase application held in abeyance** – The applicant agrees to hold in abeyance the recent \$220.00 rent increase application if the Tentative Parcel Map is approved and to withdraw the application when the final map is approved.
- **Mobilehome Residency Law** – The applicant agrees that homeowners who continue to rent will maintain occupancy rights subject to any lease or written agreement and the “Mobilehome Residency Law.”
- **The State provisions related to rent control are incorporated within the Tenant Impact Report and incorporated by reference within the Settlement Agreement and conditions of approval.** This measure provides clear and understandable guarantees that low-income households will not lose rent control protections in the future.
- **Membership Voting Rights** – This section describes the voting rights of resident owners until the applicant owns a minority amount of lots.
- **The City and Applicant shall be parties to the Settlement Agreement and can take legal action in order to implement and carryout the provisions and terms.**

- **City Financing** - The city will amend the First Time Home Buyer's Program to allow mobilehomes and mobilehome spaces to be financed through the program, shall raise the maximum loan amount to \$150,000.00 and provide the 5% financing for low-income residents who qualify for the state's Mobilehome Property Resident Ownership Program (MPROP).
- **Owner Financing** - The Owner shall provide up to \$10,000,000.00 of financing for low- and moderate-income residents utilizing underwriting guidelines that are comparable to the FTHBP administered by the city. The Owner's financing commitment will match the funds provided by the FTHBP. The loan will be at 5% simple interest with a 30 year term. This loan will have all payments of interest and principle deferred until the unit transfers.
- **Appraisal to Establish Space Purchase Price** - The applicant recognizes the practical difficulty in not having an established purchase price. The appraisal shall be completed with 45 days of the approval of TPM No. 27014. The applicant shall utilize the appraisal as the maximum purchase price during the initial 6-months-fixed purchase price period.

City of Carson's Mobilehome Park 2005 Survey

The City surveyed all the residents of mobilehome parks in the fall, 2005. (Exhibit No. 2 is a summary of the information received from the residents). Carson Harbor Village has 33% of the responding residents classified as moderate or above-moderate income compared to Colony Cove which has 19% in these categories and 22% as the overall average for all of Carson's mobilehome parks. This information clearly illustrates that Carson Harbor Village Mobilehome Park as being the most economically able park to support the conversion. The data also shows that Carson Harbor Village is not a senior park since only 33% of residents are seniors. This compared to Colony Cove with 55% of the residents as seniors and 38% as the overall average of seniors within all Carson mobilehome parks.

Assembly Bill No. 1542 and Senate Bill No. 900

Assembly Bill No. 1542 (AB 1542) and Senate Bill No. 900 which, if passed, would change the rules by which mobilehome parks are converted to resident-owned parks. Local government would have more control over the parks under the new legislation and existing local rent control ordinances would be preserved. Several residents have questioned if a delay or denial of the CHV conversion would allow this new legislation to apply to CHV. The Carson Harbor Village application was deemed complete in 2006. The city must consider existing legislation in any decision related to CHV. The new legislation, if approved, would apply to Colony Cove since the application for conversion has not been deemed complete and any other park that applies for conversion. An item is

September 4, 2007

scheduled for this same agenda summarizing the status of the pending legislation and the city hired lobbyist will provide an update.

Summary

There has been significant discussion regarding the pros and cons of conversion of the CHV Mobilehome Park to resident ownership. There are many residents who do not trust the current ownership of the park. By providing incentives and establishing protective measures in the Settlement Agreement and conditions of approval, the city would be responsible for enforcing the provisions and seeing that they are completed as stated. Once the park becomes a resident-owned park, the residents would no longer have to work with the current owner. The park would be operated under the guidelines set by the HOA and regulated by the covenants, conditions & restrictions (CC&Rs).

Some residents have expressed that the applicant will charge a much higher price than the \$160,000.00 to \$190,000.00 value indicated in city-sponsored appraisal. In order to alleviate this issue, the applicant has agreed to complete a full appraisal within 45 days indicating the purchase price for each lot within CHV. The fixed purchase price will not exceed the values established in the appraisal. Residents seeking to purchase will be eligible for up to a 10% discount if escrow is opened within the first 60 days. The applicant will also provide up to \$10 million to fund loans for low- and moderate-income residents. Combined with financial assistance from the First Time Home Buyer's Program and State MPROP funds, upwards of \$20 to \$25 million dollars will be potentially provided as loans to support resident ownership of CHV.

If a resident does not wish to purchase, there is protection to stay as a renter. The low-income renters will be protected under the state's rent control program which offers a more limited increase that currently is allowed by the City's Rent Control Program. In order to assure this, the Settlement Agreement will include the provisions of the State program thus giving the city the ability to enforce the program.

Notwithstanding the issues that have been raised by various residents, CHV could benefit from a conversion. The low-income seniors and other households in the park would be protected from unaffordable increases under the state requirements and the Settlement Agreement. Low-income households would be given an opportunity to buy their space with State Mobilehome Park Resident Ownership Program (MPROP) funds, as available, the First Time Home Buyer's Program and the applicant-funded loan program while spending no more than one-third of their income on housing. The moderate-income families would have an opportunity for ownership using the First Time Home Buyer's Program and/or the applicant funded loan program. The above-moderate-income families would

have an opportunity to control their future housing expenses by buying the space at a known price rather than depending on unknown rent increases. The residents who purchase their spaces will also be eligible for state and federal tax deductions for interest paid and real estate property taxes. If the conversion were approved as currently proposed, the residents would be eligible for up to a 10% discount if they entered escrow within the first 60 days. The conversion would provide more opportunities than those available under the city's Rent Control Ordinance.

The applicant has indicated that if the application for TPM 27014 is denied, then a lawsuit would be filed against the city. If the applicant prevails in the lawsuit, he will likely no longer offer the residents any of the incentives listed in the MOU.

V. FISCAL IMPACT

Unknown at this time.

VI. EXHIBITS

1. Settlement Agreement dated August 23, 2007. (pgs. 10-18)
2. Statistics from the City of Carson Survey of Mobilehome Parks, 2005. (pgs. 19-20)
3. Draft City Council Resolution No. 07-104 to Reverse the Planning Commission's Decision and Approve TPM No. 27014 and the Negative Declaration for residential conversion of the Carson Harbor Village Mobilehome Park located at 17701 Avalon Boulevard. (pgs. 21-38)
4. Draft City Council Resolution No. 07-106 to Affirm the Planning Commission's Decision to Deny Tentative Parcel Map No. 27014 located at 17701 Avalon Boulevard. (pgs. 39-46)

Prepared by: Chris Ketz, Planning Consultant and Sheri Repp Loadsman, Planning Manager

sf:Rev061902

Reviewed by:

City Clerk	City Treasurer
Administrative Services	Development Services
Economic Development Services	Public Services

Action taken by City Council	
Date _____	Action _____



SETTLEMENT AGREEMENT
Carson Harbor Village Mobile Home Park Conversion

THIS SETTLEMENT AGREEMENT ("Agreement") dated as of August 23, 2007 is entered into by and between Carson Harbor Village, Ltd., a California limited partnership ("Park Owner") and The City of Carson, a California general law city and municipal corporation ("City") (collectively, the "Parties").

RECITALS

- A. Park Owner is the owner of a certain mobilehome park ("Park") located at 17701 S. Avalon Boulevard, Carson, California.
- B. Park Owner has filed a tentative parcel map application, including without limitation the Tenant Impact Report ("Application"), pertaining to the conversion ("Conversion") of the Park with City, the governing jurisdiction for certain approvals related to the Conversion.
- C. With respect to the Conversion, the Parties have agreed to enter into this Agreement to settle certain issues and differences that have arisen regarding the Conversion.

NOW, THEREFORE, the Parties hereto agree as follows:

1. Purchase Price Discount. Provided the City irrevocably approves the Application pertaining to the Conversion filed by the Park Owner by not later than September 4, 2007 and such tentative map approval is not subjected to legal challenge (collectively, "City Application Approval") and the City irrevocably approves the final map pertaining to the Conversion and such final map approval is not subjected to legal challenge (collectively, "City Final Map Approval") (the City Application Approval and the City Final Map Approval are collectively referred to herein as "City Map Approval"), each owner of mobilehomes in the Park ("Homeowners") shall be entitled to a ten percent (10%) discount off the purchase price for the space occupied by their mobilehome ("Unit Purchase Price"), provided such Homeowner signs and delivers to the Park Owner a deposit receipt/sales contract and related escrow instructions (collectively, "Purchase Documents") within sixty (60) days ("Initial 60-day Period") after the issuance and delivery to the Homeowner of the California Department of Real Estate "final public report" pertaining to the sale of condominium interests in the Park ("Final Public Report"). In the event a Homeowner fails to sign and deliver the Purchase Documents within the Initial 60-day Period but signs and delivers the Purchase Documents within the next sixty (60) day period immediately following expiration of the Initial 60-day Period, then such Homeowner shall be entitled to a five percent (5%) discount off the Unit Purchase Price. Each Homeowner that is low income (as defined in Section 6932 of Title 25 of the California Code of



Regulations) that signs and delivers the Purchase Documents to the Park Owner within the Initial 60-day Period shall remain eligible for the 10% discount off the initial Unit Purchase Price until such time as the California Mobilehome Park Ownership Program ("MPROP") has actually funded the maximum loan amount MPROP intends to fund to such Homeowner or MPROP has notified the Homeowner or Park Owner that MPROP has elected to not provide funding to such Homeowner. Each Homeowner that is low income (as defined in Section 6932 of Title 25 of the California Code of Regulations) that fails to sign and deliver the Purchase Documents within the Initial 60-day Period but signs and delivers the Purchase Documents within the next sixty (60) day period immediately following expiration of the Initial 60-day Period shall remain eligible for the 5% discount off the initial Unit Purchase Price until such time as MPROP has actually funded the maximum loan amount MPROP intends to fund to such Homeowner or MPROP has notified the Homeowner or Park Owner that MPROP has elected to not provide funding to such Homeowner. Notwithstanding the foregoing, application of such discounts to a Unit Purchase Price shall be contingent upon the close of escrow for the space being purchased by the Homeowner.

2. Additional Moderate Income Rent Increase Protections. Provided City Map Approval is granted, each Homeowner who is moderate income, as defined in Section 6932 of Title 25 of the CCR, shall have their monthly base rent increased over a six (6) year period to market rent, instead of the increase over a four (4) year period to market rent as provided under Government Code Section 66427.5(f)(1). In the event, within the first three (3) years of such 6-year period, a moderate income Homeowner subsequently qualifies as low income (as defined under Section 6932 of Title 25 of the CCR), then Park Owner agrees that such moderate income Homeowners, who subsequently qualify as low income (under Section 6932) within such 3-year period, shall be eligible to have the then current monthly base rent paid by such Homeowner, as of the date such Homeowner subsequently qualifies as low income, to be subject to the restrictions on lower income monthly base rent increases as described under Section 66427.5(f)(2) of the Government Code.
3. Park Upgrades and Improvements. Within one (1) year following the date of the City Final Map Approval ("Final Map Approval Date"), the Park Owner agrees to complete the work and improvements as described in paragraphs 1, 2 and 5 of the Carson Harbor Village Special Park Improvements list which is attached hereto under Exhibit A and made a part hereof ("Park Improvements List"). Within two (2) years following the Final Map Approval Date, the Park Owner agrees to complete the work and improvements as described in paragraphs 3 and 4 of the Park Improvements List. Notwithstanding the foregoing, (i) the completion dates for such work and improvements shall be subject to extension caused by force majeure events and any unusual delays in obtaining applicable permits and licenses required by governmental authorities, and (ii) performance of the work and improvements described under paragraph 2 of the Park Improvements List



shall be subject in all respects to California Department of Fish and Game regulations and approvals. Prior to commencing the work and improvements described under the Park Improvements List, the Park Owner agrees to submit to the City and the Homeowners Association representing the residents of the Park ("Association") an itemized schedule of such work and improvement, including start dates, unit spaces (identified by number) upon which the work and improvements described in paragraphs 1 and 5 will be performed, and such other reasonable details regarding performance of the work and improvements and allocation of costs.

4. Appraisal. On or prior to November 30, 2007, provided City Application Approval has been granted, Park Owner shall obtain an appraisal of the Park from PGP Valuation Inc. or, if PGP Valuation Inc. is unable to act, another appraiser mutually acceptable to the Parties. On or prior to December 15, 2007, Park Owner shall provide a copy of the appraisal to City and the Homeowners.
5. Increased Fixed Purchase Price Period. Provided City Map Approval is granted, Owner shall fix the Unit Purchase Price for a period of six (6) months for each Homeowner except as provided in Section 1 related to low income households that sign and deliver the Purchase Documents within the one hundred twenty (120) day period immediately following the issuance and delivery to the Homeowner of the Final Public Report. Such 6-month period shall be in lieu of such 90-day period as provided under Section 66459 of the Government Code. Such 6-month period shall commence as of the date that the Purchase Documents have been delivered to the Homeowners and the Final Public Report has been issued.
6. Resolutions of Approval. Provided City Map Approval is granted, the Park Owner shall abide by the Resolutions of the City Council of the City of Carson Approving, Subject to Conditions, Tentative Parcel Map No. 27014 for the Residential Conversion of the Park, so long as such resolutions and conditions are substantially the same as the Resolutions of the Planning Commission of the City of Carson Approving Tentative Parcel Map No. 27014 for the Residential Conversion of the Park and Conditions of Approval, a copy of which is attached hereto as Exhibit B, except the terms hereof may be added as additional conditions. Park Owner further agrees that each and all of the terms and conditions of this Agreement shall be deemed to be conditions of approval attached hereto as Exhibit B.
7. Rent Increase Application; Rent Amounts. Provided City Application Approval is granted, the Park Owner agrees to the following from the date the City Application Approval is granted up to and including the date of the City's hearing regarding the City Final Map Approval: (i) to hold in abeyance Park Owner's filing of its rent increase application pertaining to the Park ("Rent Increase Application"), and (ii) to not exercise Park Owner's rights to require that a hearing on the Rent Increase Application be held within the time period required



by applicable statutes and regulations (clauses (i) and (ii) above collectively referred to as the "Rent Increase Application Limitations"). If the City Application Approval is not granted, the Rent Increase Application Limitations shall not apply and Park Owner shall have the right to exercise all of its rights regarding the Rent Increase Application and with respect to time requirements regarding a hearing date and otherwise. If the City Final Map Approval is granted, the Park Owner agrees to withdraw the Rent Increase Application and to waive any further rights to the rent increases requested thereunder and the rents shall be in the applicable amounts set forth in the Tenant Impact Report for the Conversion. If the City Final Map Approval is not granted, the Rent Increase Application Limitations shall immediately terminate and the Park Owner shall have the right to exercise all of its rights regarding the Rent Increase Application and with respect to the time requirements regarding a hearing date and otherwise.

8. Mobilehome Residency Law. Park Owner acknowledges and agrees that after the Conversion all Homeowners who continue to rent will maintain occupancy rights subject to any lease or written rental agreement, the "Mobilehome Residency Law" (described under California Civil Code Section 798 et seq.) and California law, as applicable.
9. Membership Voting Rights. As the "Declarant" under a certain Declaration of Establishment of Covenants, Conditions and Restrictions ("CC&Rs"), which is to be prepared by Park Owner and recorded in connection with the Conversion, pertaining to the maintenance, operation and management of the common areas and certain other matters of the Park, the Park Owner agrees, provided City Final Map Approval is granted, that language substantially identical to the following language (as described under Section 2792.18 of Title 10 of the California Code of Regulations) will be set forth in the CC&Rs pertaining to membership voting matters:

“(a) The Association has two (2) classes of voting membership:

(1) “Class A Members” means all Owners (other than Declarant) who shall be entitled to one (1) vote for each Unit owned.

(2) “Class B Members” means the Declarant, whose voting rights shall be the same as for Class A Members, except that Declarant shall be entitled to three (3) votes for each Unit owned by Declarant.

(b) Class B Membership irreversibly ceases and converts to Class A Membership on the first to occur of the following:

(1) The total outstanding votes held by Class A Members equals the total outstanding votes held by Class B Members (as tripled); or

(2) On the second (2nd) anniversary of the first conveyance of a Condominium Interest in the most recent phase of the project.



(c) If membership approval of a prescribed majority of the voting power (other than Declarant) is required the following rules apply:

(1) If both Class A Members and Class B Members exist, the required vote is a bare majority of the voting power of the Class B Members and the prescribed bare majority of the voting power of the Class A Members; or

(2) After conversion to all Class A Memberships, the required vote is a majority of the total voting power of the Association and the prescribed majority of the total voting power of Members other than Declarant.”

10. Further Documents and Agreement. The City and the Park Owner shall execute such documents and agreements and take such further action as shall be reasonably necessary in order to implement and carryout the provisions and terms hereof. Within forty-five (45) days after City Application Approval is granted, City shall provide Park Owner with an executed letter confirming that the Park is under “threat of condemnation” and that the Parties are entering into this Agreement subject thereto.
11. Superseded. This Agreement contains the entire agreement between the Parties to this Agreement, and all previous understandings, agreements and communications prior to the date hereof, whether express or implied, oral or written (including, without limitation, that certain Memorandum of Understanding dated July 11, 2007 by and between Park Owner and the Homeowners Association representing the residents of the Park), relating to the subject matter of this Agreement, are fully and completely extinguished and superseded by this Agreement. This Agreement shall not be altered, amended, modified or otherwise changed except by a writing duly signed by all of the Parties hereto.
12. City Financing; Owner Financing. The City shall provide financing in the amount of five percent (5%) of the Unit Purchase Price (exclusive of any discounts as described in paragraph 1 of this Agreement) for each Homeowner that qualifies as low income (as defined under Section 6932 of Title 25 of the CCR) and that satisfies the same terms and conditions as required in order to qualify for MPROP financing. Such financing shall be secured by a subordinate lien against the unit being acquired by the Homeowner, with a rate of interest of three percent (3%) per annum, a 30-year maturity date, and all payments of principal and interest deferred until such maturity date, except in the event of borrower’s default, sale, lease, transfer or encumbrance of the unit, or failure to occupy the unit as borrower’s principal residence, at which time all principal and interest will become immediately due and payable. The City shall increase the maximum loan amount to \$150,000 under the City’s “First-Time Homebuyer’s Program”, and shall specifically include mobilehome park condominium units as qualifying properties under such program, with respect to each Homeowner that qualifies as a moderate income resident (as defined under Section 6932 of Title 25 of the CCR).



Provided City satisfies all conditions of this paragraph 12, Park Owner shall provide \$10,000,000 of financing (each individual financing, an "Owner Financing") to low income or moderate income Homeowners that satisfy underwriting guidelines established by Park Owner (which shall not be more stringent than applicable City underwriting guidelines for financings under this paragraph 12). The Owner Financings shall be secured by a subordinate lien against the unit being acquired by the Homeowner, with a rate of interest of five percent (5%) per annum, a 30-year maturity date, and all payments of principal and interest deferred until such maturity date, except in the event of borrower's default, sale, lease, transfer or encumbrance of the unit, or failure to occupy the unit as borrower's principal residence, at which time all principal and interest will become immediately due and payable.

Notwithstanding the foregoing provisions of this paragraph 12, Park Owner shall have no obligation to enter into any Owner Financing at any time such Owner Financing would be inconsistent with Park Owner's obligations under Park Owner's financing encumbering the applicable unit or at any time the aggregate principal amount of outstanding Owner Financings exceeds the aggregate principal amount of outstanding financing City provides to low income and moderate income borrowers under this paragraph 12.

13. Miscellaneous. This Agreement may be executed in counterparts, each of which shall constitute an original, but all of which taken together shall be deemed to be one and the same instrument. Each of the Parties hereto represent and warrant to each other that they are fully authorized to execute and deliver this Agreement, and the individuals executing this Agreement hereby represent and warrant that they are fully authorized to execute and deliver this Agreement on behalf of their respective entities.

[Signatures on following page]



IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date and year first above written.

Carson Harbor Village, Ltd.,
a California limited partnership

The City of Carson,
a California municipal corporation

By: Goldstein Properties, Inc.,
a California corporation

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____



EXHIBIT A

CARSON HARBOR VILLAGE
Special Park Improvements
Through Conversion To Resident Ownership

1.	TREES – Trees will be trimmed and shaped in both the common areas and in resident spaces. Work will also include stump removal.	\$44,600.00
2.	WETLANDS – Removal of blackberry bushes, brush, undergrowth and debris in wetlands with the objective of increasing water flow.	\$44,000.00
3.	ALBERTONI WALL – Replacement of 300 feet of lineal wall, to include concrete, stucco, brick and paint. This will include the removal of tree roots.	\$149,500.00
4.	STREETS – Repair and maintenance to include removal, grading, and paving of 13,662 sq. ft. of asphalt. Installation of three speed bumps. Sealing, re-striping and repainting of 100,000 sq. ft. of asphalt. Curb and gutter removal and replacement in designated areas.	\$100,500.00
5.	DRIVEWAYS – Repair cracked driveways in designated spaces.	\$11,400.00
6.	LIGHTING – Street lights installed on Albertoni between Avalon Boulevard and the western end of the Park, and along Avalon in front of the Park.	\$180,000.00
	TOTAL IMPROVEMENTS	\$530,000.00



EXHIBIT B

[Resolutions of the Planning Commission and Conditions Attached]



City of Carson Mobile Home Park Survey 2005

Name	Responded/Units	Senior	18-64	Under 17	Mortgage	Income	Disability Vision	Disability Other
Carson Harbor Village	150/420	33%	55%	12%	52%	VL 33% L 34 M 22 AM 11	15%	40%
Colony Cove	169/404	55%	44%	1%	72%	VL 51% L 30 M 10 AM 9	13%	42%
Bel-Aire	25/81	56%	42%	2%	56%	VL 70% L 9 M 17 AM 4	29%	44%
Carson Gardens	30/97	30%	53%	17%	90%	VL 71% L 18 M 7 AM 4	21%	46%
Park Avalon	38/133	34%	54%	12%	68%	VL 46% L 37 M 11 AM 6	15%	27%
Country Estates	40/139	31%	52%	17%	17%	VL 50% L 29 M 13 AM 8	6%	30%

EXHIBIT NO. 2



Imperial Avalon	93/225	47%	51%	2%	74%	VL 42% L 33 M 15 AM 10	10%	32%
Imperial Carson		22%	56%	22%	70%	VL 33% L 43 M 11 AM 13	29%	27%
LACO	20/94	24%	59%	17%	15%	VL 59% L 40 M 0 AM 1	19%	30%
Bel Abby Dominguez E & L Flamingo Nu-Way Oc. Villa Para. Tr. Park Gran Rancho D. Ray Mar Shangri. Vera C. Vista Del.	130/572	34%	52%	14%	82%	VL 78% L 19 M 3 AM 0	18%	11%
Total	742/2357	38%	51%	11%	29%	VL 49% L 29 M 14 AM 8	14%	35%

VL - Very Low Income L - Low Income
M - Moderate Income AM - Above moderate income

154

CITY OF CARSON

CITY COUNCIL

RESOLUTION NO. 07-104

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, REVERSING THE PLANNING COMMISSION'S DECISION AND APPROVE TENTATIVE PARCEL MAP NO. 27014 FOR THE RESIDENTIAL CONVERSION OF CARSON HARBOR VILLAGE MOBILEHOME PARK LOCATED AT 17701 AVALON BOULEVARD (APN NO. 7339001005)

THE CITY COUNCIL OF THE CITY OF CARSON HEREBY RESOLVES AS FOLLOWS:

Section 1. An application was duly filed by the applicant, Carson Harbor Village, Ltd., with respect to the real property located at 17701 Avalon Boulevard, Carson, California. The area is shown in Exhibit "A" attached hereto. The property is currently developed with a 420 unit mobile home park, Carson Harbor Village Mobile Home Park. The applicant is requesting approval of a parcel map for condominium purposes in order to convert the rental park to a residential ownership park.

Section 2. Said application was submitted to appropriate agencies as required by the Subdivision Regulations of the City of Carson, with the request for their review, comments and requirements.

Section 3. A Subdivision Meeting was held on October 18, 2006, when the applicant, staff and representatives of local governmental agencies were present.

Section 4. The Planning Commission held duly noticed public hearings on November 14, 2006, December 12, 2006, January 9, 2007, January 23, 2006, March 13, 2007 May 22, 2007 and June 12, 2007 at 6:30 P.M. at the City Hall Council Chambers, 701 East Carson Street, Carson, California. A notice of the time, place and purpose of the aforesaid meetings was duly given.

Section 5. Evidence, both written and oral, was duly presented to and considered by the Planning Commission at the aforesaid meetings. After consideration of the evidence and testimony, the Planning Commission voted to deny of Tentative Parcel Map No. 27014.

Section 6. The applicant submitted a letter requesting an appeal of the Planning Commission decision to deny Tentative Parcel Map No. 27014 on June 25, 2007.

Section 7. The City Council held public hearings on July 17, 2007, July 30, 2007 and September 4, 2007 at 6:00 P.M. at the City Hall Council Chambers, 701 East Carson Street, Carson, California. A notice of the time, place and purpose of the aforesaid meetings was duly given.

EXHIBIT NO. 3



Section 8. Evidence, both written and oral, was duly presented to and considered by the City Council at the aforesaid meetings, including but not limited to staff reports, along with testimony received by the applicant and other members of the public.

Section 9. The City Council finds that:

- a) The General Plan Land Use Map designates the area for low-density residential use. The zoning is RM-8-D (Residential, Multi-family-8 dwelling units per acre-Design-Overlay-Review). The existing and proposed use is in conformance with the General Plan and Zoning.
- b) The General Plan Housing Element Goal H-1 is "Protection of the supply of affordable housing." Policy No. H-4.4 states "The City should limit the conversion of affordable rental units to ownership units." Implementation Measure No. H-IM-4.2 states in part, "Protection of mobile home park tenants. ...Mobile home parks constitute a significant portion of the low- and moderate-income housing in the City. The City has rent control for mobile home spaces only..." The 1999-2005 Action Plan includes:
 - Continue to require rent control for the City's mobile home parks.
 - Assist with mobile home park rehabilitation or conversion to ownership housing if appropriate and/or feasible.
 - Assess the reasons for mobile home park closures and assist mobile home park owners in finding a solution to resist closure.

The City's only action in this case is the approval or denial of Tentative Parcel Map No. 27014. If the City can not make the findings for denial, it must approve the subdivision. The City has a goal to preserve low and moderate-income housing. The proposed subdivision will maintain the existing number of mobilehome spaces. Residents will have the option to maintain a rental status or to become a resident owner. The applicant and Carson Redevelopment Agency (CRA) intend on amending the First Time Buyer's Program which is an assistance program to facilitate resident ownership opportunities through loans of up to \$150,000 which do not have to be repaid for 10 years and after the 10 year period accrue an interest of 5 percent. The CRA is also considering providing a 5 percent down payment of the low income buyers in order to qualify for the State Mobilehome Purchase Resident Ownership Program (MPROP).

- c) A Special Use Permit No. 147-76 was approved on February 23, 1977, Resolution No. 77-368, which allowed a mobile home park to be constructed on the site.
- d) Section 9206.7 of the Carson Municipal Code gives the authority to the Planning Commission or City Council to require lights and other street improvements for existing streets that are adjacent to the subject property when considering a subdivision application. The current lighting on Albertoni Street and Avalon Boulevard is inadequate to provide adequate pedestrian and vehicle safety on the sidewalks and streets adjacent to



Carson Harbor Village Mobile Home Park. The existing sidewalks do not meet current American with Disabilities Act (ADA) standards for accessibility. Conditions have been included to require the applicant to provide street lights and to modify existing driveways/entrances in the public right of way to comply with ADA requirements along Albertoni Street, Victoria Street and Avalon Boulevard within or abutting Carson Harbor Village Mobile Home Park per city standards and to the satisfaction of the City Engineer.

- e) The Los Angeles County Sheriff's Department recommends that maximum lighting be provided in the area adjacent to the Carson Harbor Village Mobile Home Park to deter criminal and nuisance activity in the area.
- f) Section 66490 of the Subdivision Map Act requires a preliminary soils report prepared by a registered civil engineer in the state to be submitted.
- g) Section 66428.2 of the Subdivision Map Act does not apply to this application since the mobilehome park conversion to resident ownership is proposed by the park owner.
- h) The proposed project is subject to the provisions of CEQA. An Initial Study was prepared and it was determined that there would be no significant impact as a result of this request. A Negative Declaration was prepared, noticed and sent to the County Recorder's office for posting. The property owners and tenants within the affected area and those within 500 feet of the property were noticed 20 days prior to the hearing.
- i) A Settlement Agreement was submitted by the applicant and agreed to by the City Council which lists incentives for the residents and provides funding of up to \$10 million by the applicant for purchases spaces in the park by low and moderate income residents.
- j) The city's First Time Home Buyer's Program is proposed to be amended to include the financing of mobilehomes and to increase the maximum funding amount to \$150,000.
- k) The incentives in the Settlement Agreement are part of the Conditions of Approval in Exhibit B.

Section 10. Pursuant to Government Code Section 66473.5, the City Council finds that the proposed subdivision and the provisions for its design and improvement are compatible with the objectives, policies and general land use and programs provided in the City's General Plan.

Section 11. Pursuant to Section 66474 of the Subdivision Map Act, a city shall deny approval of a parcel map if it makes any of the findings listed below. The City Council finds, that with the incorporation of those conditions attached in Exhibit B, the following:

- a) ***That the proposed map is not consistent with applicable general and specific plans as specified in Section 65451.***



Pursuant to the General Plan, the proposed subdivision map is consistent with the density, goals, policies and objectives for low density residential development applicable to the property in question. The affordability of the units for low and moderate income residents are assured through the conditions of approval, the State requirements for rent control and the provision of funding assistance through the State MPROP Program and the city's First Time Home Buyer's Program.

- b) ***That the design or improvement of the proposed subdivision is not consistent with applicable general and specific plans.***

The design of the existing Carson Harbor Village Mobile Home Park which will remain in its present configuration with the proposed subdivision, is consistent with the City of Carson General Plan for low density development.

- c) ***That the site is not physically suitable for the type of development.***

The existing Carson Harbor Village Mobile Home Park was approved by the Planning Commission in 1977. The park was built in compliance with Special Use Permit No. 147-76 and the development standards in effect at the time for mobile home parks. With the recommended conditions of approval specified in this Resolution, the subdivision meets all applicable development criteria specified for Special Use Permit No. 147-76, the criteria for mobile home parks and the RM-8-D (Residential, multi-family, 8 dwelling units per acre-Design Overlay Review) zone on the property.

- d) ***That the site is not physically suitable for the proposed density or development.***

The General Plan designates low density residential development as appropriate for the site and the property is zoned RM-8-D (Residential, multi-family, 8 dwelling units per acre-Design Overlay Review). Both the General Plan and the zone district allow 8 dwelling units per acre. The mobile home park, as currently developed, has a density of approximately 5.1 dwelling units per acre which is in compliance with the density provisions of the General Plan.

- e) ***That the design of the subdivision or the proposed improvements are likely to cause substantial environmental damage or substantially and unavoidably injure fish or wildlife or their habitat.***

The site of the proposed condominium conversion is already developed and the subdivision application does not contemplate any additional development on the property. The existing wetland or marsh located in the center of the property is regulated by the Department of Fish and Game. There are restrictions on the property that assure that the wetlands will not be damaged.

- f) ***That the design of the subdivision or type of improvements are likely to cause serious public health problems.***



Conditions have been included to ensure that the design of the subdivision or improvements is not likely to cause serious public health problems. The adjacent lighting does not meet today's standards and the standards that are asked of every developer whether the project is a subdivision or a discretionary permit. The existing condition is detrimental to the public safety of the residents of the park. If the condition requiring an improvement of the adjacent lighting is not met, then a condition will remain which is likely to cause serious public health problems. The applicant is also required in the conditions of approval to replace a portion of the wall on Albertoni Street which may fall and cause a public safety issue.

- g) ***That the design of the subdivision or the type of improvements will conflict with easements, acquired by the public at large, for access through or use of, property within the proposed subdivision. In this connection, the governing body may approve a map if it finds that alternate easements for access or for use, will be provided, and that these will be substantially equivalent to ones previously acquired by the public. This subsection shall apply only to easements of record or to easements established by judgment of a court or competent jurisdiction and no authority is hereby granted to a legislative body to determine that the public at large has acquired easements for access through or use of property within the proposed subdivision.***

The project will not conflict with existing traffic flow adjacent to the property on Avalon Boulevard or Albertoni Street. The easements for sewer and water run under the current mobile homes. This condition has existed since the park was developed and will not change as a result of this subdivision. It should be noted that if a sewer or other utility line needs to be repaired, it may require access under mobile homes.

Section 12. A nexus or rough proportionality has been established for the required road and sidewalk improvements, and for off-site improvements as related to the tentative parcel map. The City Council finds:

- a) The soils in the area are subject to liquefaction. A geology\soils report is necessary to determine impacts on the mobile homes should an earthquake occur. These reports have been submitted.
- b) The right to restrict vehicular access on Albertoni Street, Avalon Boulevard and Victoria Street to the current driveways is necessary to limit the number of driveways and access on these three streets to maintain public safety.
- c) The provision of street lighting along Albertoni Street and Avalon Boulevard is necessary to provide safe pedestrian and vehicular access for the present and future residents of the site and for the public at large.
- d) An area sewer study is necessary to determine if there is adequate capacity of the sewers. When the park developed in 1977, it was an adult only park which would indicate that 1 or 2 people would typically occupy a mobile home. The park is currently a family park and the occupancy of



the units has risen significantly. Changes to the number or size of units occupying the park may impact the sewer capacity. A condition has been included to require the sewer area capacity study to be provided as a disclosure document for purchasers of spaces and for limitations or improvements to be included for future construction in the mobile home park.

- e) The upgrading and modifying of the existing entrances to Carson Harbor Village Mobile Home Park to comply with current American With Disabilities Act (ADA) requirements is necessary to provide a safe means of access for disabled persons, both residents of the park and the public at large.
- f) When the mobile home park was built in 1977 pursuant to the then existing requirements of the fire code. The Los Angeles County Fire Department has determined that certain changes are necessary to meet current fire code requirements. Conditions have been included to require compliance with applicable fire code requirements. A condition has been included to allow the Los Angeles Fire Department to modify any condition associated with fire code requirements if a determination is made that existing or alternative improvements meet fire code requirements.

Section 13. Pursuant to California Subdivision Map Act Sections 66427, 66451, 66452 and the City of Carson Municipal Code Sections 9202.1 through 9209.6, the City Council has determined that the application was noticed in accordance with all applicable provisions and will also require:

- a) That each resident of the park has received all applicable notices and rights now or hereafter required by Section 66427 and in Chapter 3 of the California Subdivision Map Act (commencing with Section 66451);
- b) That each resident of the park shall receive a 10 day written notice that an application for a public report will be, or has been submitted to the Department of Real Estate, and that such a report will be available upon request;
- c) That each resident of the park shall receive a written notification within 10 days of approval of a Final Map for the proposed subdivision conversion;
- d) Each resident of the park shall receive 180 days written notice of intention to convert prior to the termination of tenancy due to the conversion or proposed conversion; and
- e) Each tenant of the proposed condominium shall be given notice of an exclusive right to purchase his or her respective unit for terms available to the general public or terms more favorable to the tenant. This right shall run for a period of not less than 180 days from the date of issuance of the subdivision public report pursuant to Section 11018.2 of the Business and Professional Code, unless the tenant gives prior written notice of his or her intention not to exercise the right.

Section 14. The City Council further finds that the use permitted by the proposed subdivision will not have a significant effect on the environment. The



proposed facility will not alter the character of the surrounding area and meets or exceeds all City standards for protection of the environment.

Section 15. Based on all evidence presented at the meetings and the aforementioned findings, the City Council hereby overturns the Planning Commission's action to deny TPM No. 27014 and adopts the Negative Declaration and approves Tentative Parcel Map No. 27014, subject to the conditions set forth in attached Exhibit B which are to be satisfied prior to recordation of the final map.

Section 16. This action shall become final and effective fifteen days after the adoption of this Resolution.

Section 17. The City Clerk shall certify to the adoption of the Resolution and shall transmit copies of the same to the applicant.

PASSED, APPROVED AND ADOPTED THIS 4th DAY OF SEPTEMBER, 2007.

MAYOR JIM DEAR

ATTEST:

City Clerk

APPROVED AS TO FORM



CITY OF CARSON
DEVELOPMENT SERVICES
PLANNING DIVISION

EXHIBIT "B"

CONDITIONS OF APPROVAL

TENTATIVE PARCEL MAP NO. 27014

GENERAL CONDITIONS

1. The subdivider shall comply with all city, county, state and federal regulations applicable to this project.
2. The proposed development is subject to all applicable provisions of the California Subdivision Map Act, including but not limited to, Government Code Sections 66427.1, 66427.5, 66451 and 66452, and evidence of compliance therewith shall be submitted to the city Department of Development Services, as required by law.
3. For purposes of establishing applicable space rental rates pursuant to Government Code Section 66427.5, the "Map Act Rent Date" shall be determined based upon the following: (1) the close of escrow of an air space condominium unit and (2) the expiration of six (6) consecutive calendar months from and after the date of insurance and delivery of the Final Public Report by the Department of Real Estate.
4. The subdivider shall comply with Section 66427.5(d1 and d2) of the California Subdivision Map Act as follows:
 - a) Following the Map Act Rent Date, as to non-purchasing residents who are not lower income households, as defined in Section 50079.5 of the Health and Safety Code, the monthly rent, including any applicable fees or charges for use of any pre-conversion amenities, may increase from the pre-conversion rate to market levels, as defined in an appraisal conducted in accordance with nationally recognized professional appraisal standards, in equal annual increases over a four-year period; and
 - b) Following the Map Act Rent Date, as to non-purchasing residents who are lower income households, as defined in Section 50079.5 of the Health and Safety Code, the monthly rent, including any applicable fees or charges for use of any pre-conversion amenities, may increase from the pre-conversion rent by an amount equal to the average monthly increase in rent in the four years preceding the conversion, except that in no event shall the monthly rent be increased by an amount greater than the average monthly percentage increase in the Consumer Price Index for the most recently reported period.



5. The subdivider shall comply with the findings and recommendations of the Tenant Impact Report prepared for the condominium conversion of the Carson Harbor Village Mobile Home Park, including, but not limited to:
 - a) Each resident shall be given a right to purchase the air space condominium upon which the mobile home is situated or to continue the existing tenancy in the park pursuant to the provisions of the Tenant Impact Report;
 - b) The subdivider shall not terminate any existing tenancies or any existing leases or require that the residents vacate the property, after the Map Act Rent Date for failure to purchase an air space condominium upon which the mobile home is located.
6. Conditions not required to be fulfilled prior to, or shown on the final map, shall be stated on a separate document to be recorded with the final map.
7. The recorded map shall conform to the tentative map approved as Exhibit C and to the Conditions of Approval. Two copies of the final recorded map shall be submitted to the Planning Division.
8. The mobile home park must meet all the requirements of the City of Carson Planning Commission Resolution No. 77-368 which approved Special Use Permit No. 147-76 for Carson Harbor Village Mobile Home Park.
9. Prior to the sale of any unit/lot in the subdivision, the subdivider shall obtain a written maintenance inspection report for compliance with Title 25 of the California Code of Regulations (simply "Title 25") for the common areas and facilities, including, without limitation, such other Title 25 requirements that apply to the subdivider such as marking of lots. Prior to the sale of any unit/lot in the subdivision, the subdivider shall remediate any and, all violations of Title 25 noted in such written maintenance inspection report. Proof of remediation shall be confirmation in writing by the California Department of Housing and Community Development (HCD).
10. All buildings, grounds, parking areas and landscaping shall be maintained in a neat and orderly manner at all times.
11. Graffiti shall be removed from all project areas within 3 days of written notification by the City of Carson. Should the graffiti problem persist more than twice in any calendar year, the matter may be brought before the Planning Commission for review and further consideration of site modifications (i.e., fencing, landscaping, chemical treatment, etc.).
12. Within forty-eight hours of approval of the subject project, the applicant shall deliver to the Planning Division a cashier's check or money order payable to the County Clerk in the amount of \$25.00 (twenty-five dollars) pursuant to AB 3185, Chapter 1706, Statutes of 1990, to enable the city to file the Notice of Determination required under Public Resources Code Section 21152 and 14 California Code of Regulations 15075. If within such forty-eight hour period the applicant has not delivered to the Planning Division the above-noted cashier's



check or money order, the approval for the project granted herein may be considered automatically null and void.

13. In addition, should the Department of Fish and Game reject the Certificate of Fee Exemption filed with the Notice of Determination and require payment of fees, the applicant shall deliver to the Planning Division, within forty-eight hours of notification or such rejection, a cashier's check or money order payable to the County Clerk in the amount of \$1,250 (one thousand two hundred fifty dollars) pursuant to AB 3158, Chapter 1706, Statutes of 1990. If this fee is imposed, this map shall not be operative, vested or final until the fee is paid.
14. Except with respect for claims, damages, actions or proceedings between the subdivider and the City that subdivider shall defend, indemnify and hold harmless the City of Carson, its agents, officers, or employees from any claims, damages, action, or proceeding against the City or its agents, officers, or employees to attack, set aside, void or annul, and approval of the City, its advisory agencies, appeal boards, or legislative body concerning Tentative Parcel Map No. 27014. The City will promptly notify the subdivider of any such claim, action, or proceeding against the City and the subdivider will either undertake defense of the matter and pay the City's associated legal costs or will advance funds to pay for defense of the matter by the City Attorney. The City will cooperate fully in the defense. Notwithstanding the foregoing, the City retains the right to settle or abandon the matter without the subdivider's consent but should it do so, the City shall waive the indemnification herein, except, the City's decision to settle or abandon a matter following an adverse judgment or failure to appeal, shall not cause a waiver of the indemnification rights herein.

ENGINEERING SERVICES DIVISION – CITY OF CARSON

15. The applicant shall modify existing driveways in the public right of way to comply with ADA requirements along Albertoni Street, Victoria Street and Avalon Boulevard within or abutting this proposed subdivision per City standard and to the satisfaction of the City Engineer.
16. Where sidewalks meander around existing driveways and extending beyond the public right of way at any location, the required described sidewalk easements shall be submitted per City standard and to the satisfaction of the City Engineer.
17. The applicant shall modify existing wheelchair curb ramps at corners and along Albertoni Street, Victoria Street and Avalon Boulevard per city standard and to the satisfaction of the City Engineer.
18. The applicant shall submit improvement plans to the Engineering Services Division showing all the required improvements in the public right of way and approval of the City Engineer. A copy of approved conditions of approval shall be attached to the plans when submitted.



19. A construction permit is required for any work to be done in the public right of way.
20. Any improvements damaged during the construction shall be removed and reconstructed per City Standards plan and to the satisfaction of the City Engineer.
21. All infrastructure necessary to serve the proposed development (water, sewer, storm drain, and street improvements) shall be in operation prior to recordation of the Final Map.

COUNTY OF LOS ANGELES

Geology/Soils

22. A geology/soils report shall be submitted to the County of Los Angeles for review and approval prior to the recordation of the Final Map.
23. For future construction or intensification of use within the Carson Harbor Village Mobile Home Park, the soils report required in no. 22 above may be used as a lawful basis to impose conditions on such future construction. The soils report required in No. 22 shall be disclosed to each and all Resident/Homeowners of Carson Harbor Village Mobile Home Park prior to the execution of any agreement to purchase a subdivided interest in Carson Harbor Village Mobile Home Park.

Road

24. The subdivider shall dedicate the right to restrict vehicular access to the existing vehicular ingress/egress on Albertoni Street, Avalon Boulevard, and Victoria Street, if not already dedicated.
25. The subdivider shall label all interior access streets as private driveway and fire lane.
26. The subdivider shall comply with the following street lighting requirements:
 - a. Provide street lights on concrete poles with underground wiring along the property frontage on Albertoni Street, Avalon Boulevard, and Victoria Street to the satisfaction of the City Engineer. Submit street lighting plans as soon as possible for review and approval to the Street Lighting Section of the Traffic and Lighting Division of the County of Los Angeles Department of Public Works. For additional information contact the Street Lighting Section at (626) 300-4726.
 - b. The area within the proposed map, or portions thereof, are not within an existing lighting district. Annexation and assessment balloting are required. Upon tentative map approval, the applicant shall comply with conditions listed below in order for the lighting district to pay for the future operation



and maintenance of the street lights. The Board of Supervisors must approve the annexation and levy assessment (should the assessment balloting favor levy of assessment) prior to the filing of the final subdivision maps for each area within the Register-Recorder/County Clerk office.

1. The subdivider shall request the Street Lighting Section to commence annexation and levy of assessment proceedings.
 2. The subdivider shall provide business/property owner's name(s), mailing address(es), site address, Assessor parcel number (s), and parcel boundaries in either Microstation or Auto CADD format of territory to be annexed to the Street Lighting Section.
 3. The subdivider shall submit a map of the proposed development including any roadway conditioned for street lights that are outside the proposed project area to the Street Lighting Section. Contact the Street Lighting Section for map requirements and with any questions at (626) 300-4726.
- c. The annexation and assessment balloting process takes approximately ten to twelve months to complete once the above information is received and approved. Therefore, untimely compliance with the above will result in a delay in receiving approval of the street lighting plans or in filing the final subdivision map for recordation. Information on the annexation and the assessment balloting process can be obtained by contacting Street Lighting Section at (626) 300-4726.
- d. For acceptance of street light transfer of billing, the area must be annexed into the lighting district and all street lights in the development, or the current phase of the development, must be constructed according to Public Works approved plans. Provided the above conditions are met, all street lights in the development, or the current phase of the development, have been energized, and the developer has requested a transfer of billing at least by January 1 of the previous year, the lighting district can assume responsibility for the operation and maintenance of the street lights by July 1 of any given year. The transfer of billing could be delayed one or more years if the above conditions are not met.

Sewer

27. The subdivider shall provide a sewer area study which studies the area sewer capacity only and shall submit such study for review and approval prior to recordation of a Final map. The sewer area capacity study shall be used as a disclosure document for purchasers of spaces and for future construction in the Mobile Home Park.



28. The sewer area study required in condition no. 27 above may be used to impose conditions only on future construction in Carson Harbor Village Mobile Home Park. The sewer area study shall be disclosed to each and all Resident/Homeowners of Carson Harbor Village Mobile Home Park prior to the execution of any agreement to purchase a subdivided interest in Carson Harbor Village Mobile Home Park.

Water

29. The subdivider shall provide a water system maintained by the water purveyor, with appurtenant facilities to serve all units in the land division. The system shall include fire hydrants of the type and location (both on-site and off-site) as determined by the Fire Department. The water mains shall be sized to accommodate the total domestic and fire flows. This condition shall be satisfied with a "will serve" letter from the water purveyor.
30. The subdivider shall file with the City Engineer a statement from the water purveyor indicating that the water system will be operated by the purveyor, and that under normal conditions the system will meet the requirements of the land division, and that water service will be provided to each condominium unit.
31. The subdivider shall grant easements to the City, appropriate agency or entity for the purpose of ingress, egress, construction, and maintenance of all infrastructures constructed for this land division to the satisfaction of the City Engineer.

Subdivision

32. The subdivider shall place a note on the final map, to the satisfaction of the City Engineer, indicating that this map is approved as a mobile home park conversion project for 420 units.
33. The subdivider shall label driveways and multiple access strips as a private driveway, and fire lane and delineate on the final map to the satisfaction of the City Engineer.
34. The subdivider shall provide, if required, suitable turnaround and label the driveway private driveway and fire lane on the final map to the satisfaction of the City Engineer.
35. The subdivider shall provide reciprocal easements for adjoining properties for drainage, ingress/egress, sewer, water, utilities, and maintenance purposes, etc., over the common driveway in the document to the satisfaction of the City Engineer.
36. The subdivider shall provide for the continual maintenance of the common areas. This can be achieved by the formation of a homeowner's association, comprised of the owners of the units, responsible for the maintenance of the common areas.



37. The subdivider shall relocate or quitclaim any easements interfering with building locations (except mobile homes and manufactured housing as defined by Section 18007 of the Health and Safety Code) to the satisfaction of the City Engineer.
38. The subdivider shall provide a numeric reference for all parcels to the satisfaction of the City Engineer.
39. The subdivider shall provide addressing information in Microsoft Excel format to the satisfaction of the City Engineer.
40. The subdivider shall not grant or record private easements within areas proposed to be granted, dedicated, or offered for dedication until after the final map is filed with the Registrar-Recorder/County Clerk's office. If easements are granted after the date of tentative approval, a subordination must be executed by the easement holder prior to the filing of the final map.
41. A final guarantee will be required at the time of the filing of the final map with the Registrar-Recorder/County Clerk's office.
42. A final map prepared by, or under the direction of, a pre-1982 registered Civil Engineer or licensed Land Surveyor must be processed through the City Engineer prior to being to being filed with the Registrar-Recorder/County Clerk's office.

FIRE DEPARTMENT - COUNTY OF LOS ANGELES

43. The subdivider shall provide water mains, fire hydrants, and fire flows as required by County of Los Angeles Fire Department for all land shown on the map to be recorded.
44. The subdivider shall provide Los Angeles County Fire Department and City approved street signs and building address numbers prior to occupancy.
45. The subdivider shall provide the Los Angeles County Fire Department access to be extended to within 150 feet distance of any exterior portion of all structures.
46. Where driveways extend further than 150 feet and are of single access design, the subdivider shall provide turnarounds suitable for fire protection equipment use and such driveways shall be shown on the final map. Turnarounds shall be designed, constructed and maintained to insure their integrity for Fire Department use. Where topography dictates, turnarounds shall be provided for driveways that extend over 150 feet in length.
47. The subdivider shall provide access consistent with Section 902 of the Fire Code, which requires all weather access. All weather access may require paving.
48. The subdivider shall provide private driveways to be indicated on the final map as "Private Driveway and Fire Lane" with the widths clearly depicted and shall be maintained in accordance with the Fire Code.



49. The subdivider shall provide and maintain serviceable vehicular access throughout Carson Harbor Village Mobile Home Park to all required fire hydrants.
50. The required fire flow for public fire hydrants throughout Carson Harbor Village Mobile Home Park is 1250 gallons per minute at 20 psi for a duration of 2 hours, over and above maximum daily domestic demand.
51. The required fire flow for private on-site hydrants is 2500 gallons per minute psi 20 psi. Each private on-site hydrant must be capable of flowing 1250 gallons per minute at 20 psi with two hydrants flowing simultaneously, one of which must be the furthest from the public water source.
52. All hydrants shall measure 6" x 4" x 2-1/2" brass or bronze, conforming to current AWWA standard C503 or approved equal. All on-site hydrants shall be installed a minimum of 25' from a structure or protected by a two hour fire wall.
53. The subdivider shall not be required to upgrade fire flows, if existing hydrant(s) meet(s) the fire flows noted above.
54. The subdivider shall provide evidence from the County of Los Angeles Fire Department on fire flow on Form 195, that the hydrants and available fire flow rate meets the current Fire Department requirements. Additional Fire Department requirements may be made once information on hydrant locations and fire flow availability is received and reviewed. Submit the required information prior to final map clearance.
- 55.. The subdivider shall provide parking spaces for the disabled located such that they do not require users to pass behind vehicles other than their own, nor be required to cross vehicular traffic ways.
- 56.. The County of Los Angeles Fire Department may modify conditions nos. 43 to 55 if a determination is made that existing or alternative improvements meet Fire Code requirements.

BUSINESS LICENSE DIVISION - CITY OF CARSON

57. Per section 6310 of the Carson Municipal Code, all parties involved in the project, including but not limited to contractors and subcontractors, will need to obtain a City Business License.

DEPARTMENT OF CONSERVATION – DIVISION OF OIL, GAS & GEOTHERMAL RESOURCES

58. The subdivider shall locate the twelve plugged and abandoned wells within and in proximity to the property boundaries (as identified on Division Map 125) be located on the Final Parcel Map.
59. Building over or in proximity of plugged and abandoned wells should be avoided if at all possible. If this is not possible, it may be necessary to plug or re-plug wells to current Division specifications. Also, the State Oil and Gas Supervisor is authorized to order reabandonment of previously plugged and abandoned wells



when construction is over or in proximity of wells could result in a hazard (Section 3208.1 of the Public Resources Code).

60. If reabandonment is necessary, the cost of operations is the responsibility of the owner of the property upon which the structure will be located.
61. If construction over an abandoned well is unavoidable, an adequate gas venting system should be placed over the well.
62. If any plugged and abandoned or unrecorded wells are damaged or uncovered during excavation or grading, remedial plugging operations may be required. If such damage or discovery occurs the Division of Oil, Gas and Geothermal Resources's district office must be contacted to obtain information on the requirements for and approval to perform remedial operations.

SETTLEMENT AGREEMENT /MEMORANDUM OF UNDERSTANDING

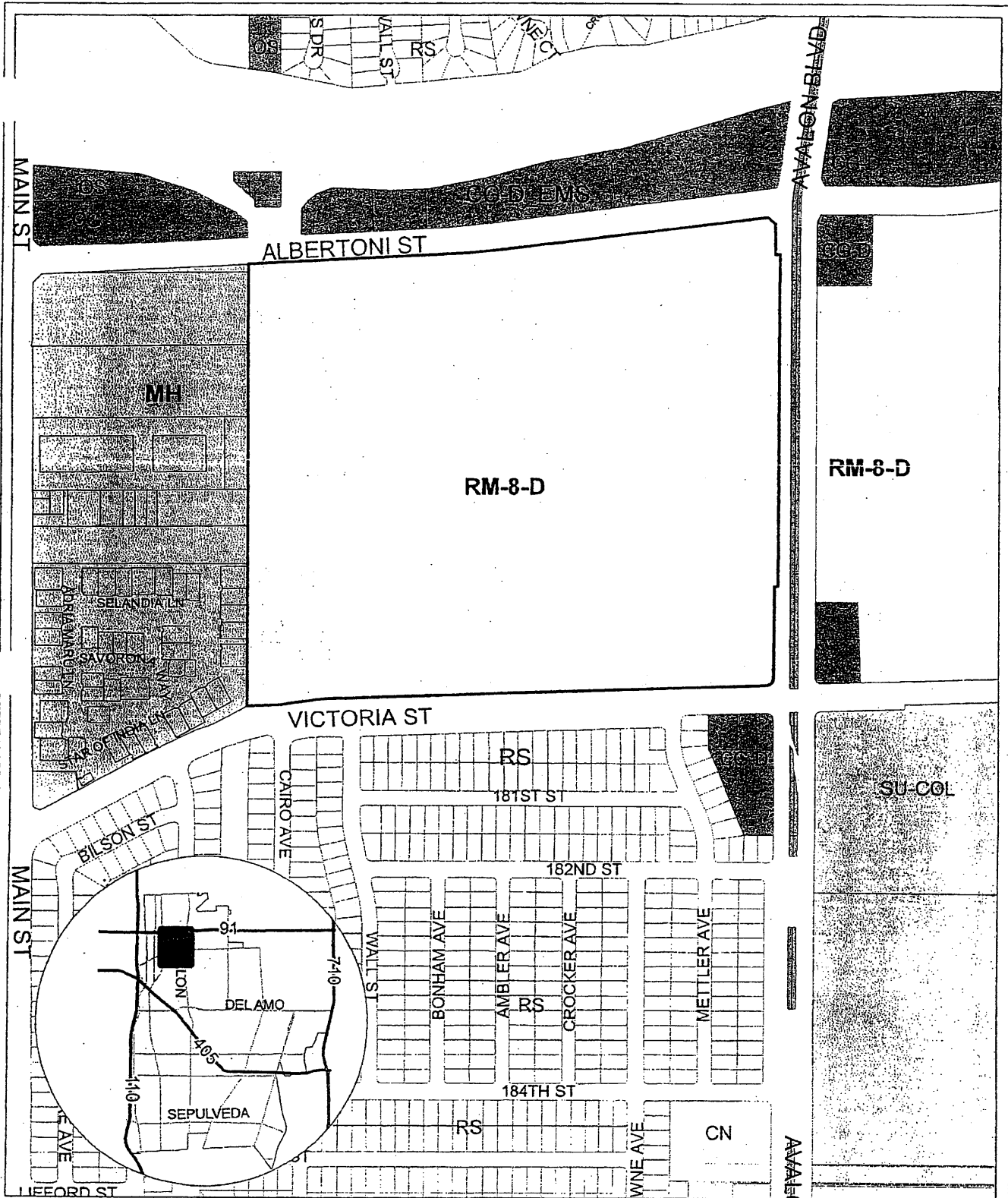
63. Each owner in the Carson Harbor Mobile Home Park shall be entitled to a ten percent discount off the purchase price for the space occupied by their mobilehome, provided such Home Owner signs and delivers to the Park Owner a deposit receipt/sales contract and related escrow instructions within sixty days after the issuance and delivery to the Home Owner of the California Department of Real Estate "final public report" pertaining to the sale of the condominium interests in the park. In the event a Home Owner fails to sign and deliver the Purchase documents within the initial sixty day period and delivers the documents within the next sixty day period immediately following the Initial 60-day Period, then such Home Owner shall be entitled to a five percent discount off the Unit Purchase price.
64. Each Home Owner who is moderate income, as defined in Section 6932 of Title 25 of the California Code of Regulations, shall have their monthly base rate increased over a six year period to market rate, instead of the increase over a four year period to market rate as provided under Government Code Section 66427.5(f)(1). In the event, within the first three years of such six year period, a moderate income Home Owner subsequently qualifies as low income as defined under Section 6932 of Title 25 of the CCR, then the Park Owner agrees that such moderate income Home Owners who subsequently qualify as low income within such three year period shall be eligible to have the then current monthly base rate increases as described under Section 66427.5(f)(2) of the Government Code.
65. Within one year following the date of the City Final Tract Map Approval, the Park Owner agrees to complete the following work and improvements:
 - a. Trees – Trees will be trimmed and shaped in both the common areas and in resident spaces. Work will include stump removal. The cost of the improvements shall be \$44,600.
 - b. Wetlands – Blackberry bushes, brush, undergrowth and debris in the wetlands will be removed with the objective of increasing water



flow subject to the a permit from the California Fish and Game Department. The cost of the improvements shall be \$44,000.

- c. Driveways – Cracked driveways in designated spaces will be repaired. The cost shall be \$11, 400.
66. Within two years following the City Final Tract Map Approval Date, the Park Owner agrees to complete the following work:
- a. Albertoni Wall – Replacement of 300 lineal feet of the wall on the Albertoni Street side of Carson Harbor Village Mobile Home Park which is currently leaning. Replacement to include concrete, stucco, brick and paint. This will include the removal of tree roots. The cost shall be \$100,500.
 - b. Streets – Repair and maintenance to include removal, grading, and paving of 13,662 square feet of asphalt. Installation of three speed bumps. Sealing, re-stripping and repainting of 100,000 square feet of asphalt. Curb and gutter removal and replacement in designated areas.
67. The Park Owner shall submit to the City a detailed, itemized schedule of such work and improvements, including start dates, unit spaces upon which the work and improvements for the tree trimming and driveway repair will be performed and such other details regarding performance of the work and improvements and allocation of costs.
68. The Park Owner shall fix the Unit Price for a period of six months for each Home Owner in lieu of the 90 day period provided under 66459 of the Government Code. The six month period shall commence as of the date that the Purchase Documents have been delivered to the Home Owners and the Final Public Report has been issued.
69. The Park Owner shall fix the Unit Price for low income Home Owner, as defined in Section 6932 of Title 25 of the California Code of Regulations, that signs and delivers to the Park Owner a deposit receipt/sales contract and related escrow instructions within sixty days after the issuance and delivery to the Home Owner of the California Department of Real Estate "final public report" pertaining to the sale of the condominium interests in the park until MPROP has funded the maximum amount that can be obtained from that source.
70. The Park Owner shall have a Final Appraisal with lot prices for each lot within 45 days of the approval of the Tentative Parcel Map.
71. The Park Owner shall submit to each resident a package with the purchase price of their lot within 60 days of the approval of the Tentative Parcel Map.
72. The Settlement Agreement submitted by the Park Owner and accepted by the city shall become a part of these conditions of approval.

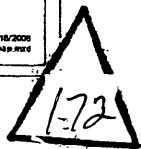




City of Carson
ZONING MAP FOR 17701 AVALON BLVD

10/16/2008
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04681



CITY OF CARSON

CITY COUNCIL

RESOLUTION NO. 07-106

A RESOLUTION OF THE CITY COUNCIL TO AFFIRM THE PLANNING COMMISSION'S DECISION TO DENY TENTATIVE PARCEL MAP NO. 27014 FOR THE RESIDENTIAL CONVERSION OF CARSON HARBOR VILLAGE MOBILE HOME PARK LOCATED AT 17701 AVALON BOULEVARD (APN NO. 7339001005)

THE CITY COUNCIL OF THE CITY OF CARSON HEREBY RESOLVES FOLLOWS:

Section 1. An application was duly filed by the applicant, Carson Harbor Village, Ltd., (the "applicant") with respect to the real property located at 17701 Avalon Boulevard, Carson, California. The area is shown in Exhibit "A" attached hereto. The application requests approval of Tentative Parcel Map No. 27014. The property is currently developed with a 420 unit mobile home park, Carson Harbor Village Mobile Home Park (the "park"). The applicant is requesting approval of a parcel map for condominium purposes in order to convert the rental park to a nominal residential ownership park.

Section 2. Said application was submitted to appropriate agencies as required by the Subdivision Regulations of the City of Carson, with the request for their review, comments and requirements.

Section 3. A Subdivision Meeting was held on October 18, 2006, when the applicant, staff and representatives of agencies were present.

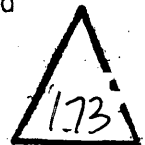
Section 4. The Planning Commission held duly noticed public hearings were held on November 14, 2006, and December 12, 2006, January 9, 2007, January 23, 2006, March 13, 2007, April 22, 2007, May 8, 2007, May 22, 2007 and June 12, 2007 at 6:30 P.M. at the City Hall Council Chambers, 701 East Carson Street, Carson, California. A notice of the time, place and purpose of the aforesaid meetings was duly given in the manner required by law. After consideration of the evidence and testimony, the Planning Commission voted to deny Tentative Parcel Map No. 27014.

Section 5. Evidence, both written and oral, was duly presented to and considered by the Planning Commission at the aforesaid meeting.

Section 6. The applicant submitted a letter requesting an appeal of the Planning Commission decision to deny Tentative Parcel Map No. 27014 on June 25, 2007.

Section 7. The City Council held public hearings on July 17, 2007, July 30, 2007 and September 4, 2007 at 6:00 P.M. at the City Council Chambers, 701 East Carson Street, Carson, California. A notice of time, place and purpose of aforesaid meetings was duly given.

EXHIBIT NO. 4



Section 8. Evidence, both written and oral, was duly presented to and considered by the City Council at the aforesaid meetings, including but not limited to staff reports, along with testimony received by the applicant and other members of the public.

Section 9. The City Council finds that:

1. Mobile home park units comprise approximately 9% of the City of Carson's ("City") total households with 2,405 senior and family households located in 23 mobilehome parks citywide.

2. Based on a survey conducted by the City in or about October of 2005, approximately 79% of the mobile home park residents within the City are low-income or very low-income households as defined by United States Department of Housing and Urban Development; and

3. Based on a survey conducted by the City in or about October of 2005, approximately 14% of the mobile home park residents within the City are moderate income households as defined by United States Department of Housing and Urban Development.

4. Based on a survey conducted by the City in or about October of 2005, approximately 39% of the mobile home park residents within the City are senior citizens.

5. Based on a survey conducted by the City in or about October of 2005, approximately 49% of the mobile home park households within the City have a disabled member.

6. Approximately 80% of the City's affordable housing units are located within the mobile home parks.

7. Mobile home parks provide a significant pool of affordable housing for very low, low, and moderate income families, senior citizens, and the disabled residents in the City.

8. Approximately 60% of the Carson Harbor Village's residents are low-income or very low-income households as defined by United States Department of Housing and Urban Development.

9. Approximately 20% of the Carson Harbor Village's residents are moderate income households as defined by United States Department of Housing and Urban Development.

10. Approximately 33% of the Carson Harbor Village's households are senior citizens.

11. Approximately 55% of the Carson Harbor Village's households have a disabled member.

12. The General Plan Housing Element Goal H-4 is "Protection of the supply of affordable housing." Policy No. H-4.4 states "The City should limit the conversion of affordable rental units to ownership units." Implementation Measure No.



H-IM-4.2 states in part, "Protection of mobile home park tenants. ...Mobile home parks constitute a significant portion of the low- and moderate-income housing in the City. The City has rent control for mobile home spaces only..."

13. The 1999-2005 Action Plan from the Housing Element includes:

- Continue to require rent control for the City's mobile home parks.
- Assist with mobile home park rehabilitation or conversion to ownership housing if appropriate and/or feasible.
- Assess the reasons for mobile home park closures and assist mobile home park owners in finding a solution to resist closure.

14. The City's overall goal is to preserve low and moderate-income housing throughout the City. The proposed subdivision will not advance that goal, in general, and, in particular, the proposed subdivision will not maintain the existing supply of affordable mobilehome spaces because, under state law, upon the vacancy of any rental condominium unit, rents to future residents will not be regulated to assure the same remain affordable to low and moderate-income renters, and upon the date of conversion, rents for non-purchasing non-low income renting residents will rise to market rates not affordable to moderate or low-income residents. Purchasing residents will not be required to maintain their condominium unit as affordable.

15. The General Plan's current Housing Goals and Policies, specifically goals H-3 and H-4 provide that the City shall seek to provide an adequate supply of housing for all economic segments of the City and the City shall protect and preserve the existing supply of affordable housing. H-4.3 specifically holds that the City's policy is to "[e]ncourage the preservation of affordable rental housing and H-4.4 states that the City shall "[l]imit the conversion of affordable rental units to ownership units." The proposed subdivision will not advance that goal, in general, and, in particular, the proposed subdivision will not maintain the existing supply of affordable mobilehome spaces for all economic segments of the City because, under state law, upon the vacancy of any rental condominium unit, rents to future residents will not be regulated to assure the same remain affordable to all economic segments of the City, and upon the date of conversion, rents for non-purchasing non-low income renting residents will rise to market rates not affordable to all income segments of the City. Purchasing residents will not be required to maintain their condominium unit as affordable. Nothing in the proposed subdivision either encourages the preservation of affordable rental housing or limits the conversion of affordable rental units to ownership units.

16. The General Plan's current Open Space Element identifies the wetland within Carson Harbor Village Mobilehome park as the only open space within the city identified by a local, regional or state open space plan pursuant to Government Code Section 65560. This wetland covering approximately 17 acres, provides habitat for a variety of plants and small animals. The California Department of Fish and Game regulates all maintenance and activities associated with the wetlands. Any request to divert or obstruct the natural flow of, or change the bed, channel, or bank of, or use material from the stream bed of the unnamed drainage tributary to the



Dominguez Channel requires approval of an agreement regarding proposed stream or lake alteration from the Department of Fish and Game.

17. During the review of rent increase applications pursuant to the Carson Rent Stabilization Control Ordinance and the subject application, the city has been routinely informed that compliance with the California Department of Fish and Game is complex and requires significant knowledge of applicable procedures. Park management is required to commit large amounts of time and resources to ensure compliance with applicable standards and procedures.

18. The testimony from residents at the public hearing indicated that residents, in general, are concerned that unreasonable maintenance responsibilities and liability will be assumed upon conversion of the park to resident ownership.

19. The Carson Harbor Village wetland accepts drainage from areas located to the north and east of the park. Drainage is received from the Artesia Freeway, City of Carson, City of Compton and unincorporated areas of Los Angeles County. There has been prior litigation involving the wetland due to contamination caused by illegal dumping or drainage from outside of the wetland. There are insufficient protective measures to ensure that future contamination will not occur within the wetlands due to illegal dumping of materials into the storm drain or accidental spills that result in materials flowing into the storm drain and wetland area.

20. The proposed subdivision will impose unique and substantial burdens on the resulting mobilehome park homeowners' association for compliance with federal and/or state laws with respect to the open space marsh within the proposed subdivision that could result in an inability of such homeowners' association to meet the goals of the City's Open Space Element. Under either the applicable conditions, covenants, and restrictions, or the Davis-Sterling Common Interest Development Act, the resulting homeowners' association will lack the expertise, the financial resources (either in the form of reserves or insurance), or administrative oversight to address the maintenance, potential liability, or regulatory adherence of the open space marsh.

21. Pursuant to City of Carson's Municipal Code § 9209.5(B) the Planning Commission and/or City Council shall disapprove a tentative map or preliminary parcel map for a residential conversion project, if it finds that the map is not substantially consistent with the provisions of the City's General Plan or any applicable specific plans.

22. Approving this application is, therefore, inconsistent with the General Plan housing goals and policies.

23. The legislature has adopted AB-930 (Stats 2002 Ch. 1143, § 1), adding the requirement that an applicant for a discretionary map "obtain a survey of support of residents of the mobile home park for the proposed conversions", and that the survey "be considered as part of the subdivision map hearing."

24. The legislature further declared: "It is the intent of the legislature to address the conversion of a mobile home park to resident ownership that is not a bona fide resident conversion, as described by the Court of Appeal in *El Dorado Palm Springs, Limited v. City of Palm Springs* (2002) 96 Cal. App. 4th 1153. The court



in this case concluded that the subdivision map approval process specified in Section 66427.5 of the Government Code may not provide local agencies with the authority to prevent non-bona fide resident conversions. The court explained how a conversion of a mobile home park to resident ownership could occur without the support of residents and result in economic displacement. It is, therefore, the intent of the Legislature in enacting this act to ensure that conversions pursuant to Section 66427.5 of the Government Code are *bona fide* resident conversions.”

25. The survey of support submitted by the applicant in the record before the Planning Commission established that, of the 420 spaces, there were 129 responses to the survey. Forty-nine of those responses indicated support for conversion; 44 of those responses indicated opposition to the conversion; 24 of those responses declined to state a position on conversion and 12 gave no answer. The demonstrated level of resident support for conversion (at 11%) is insufficient to conclude, based upon substantial evidence from the record, that the Planning Commission can make a finding that approval of the application will result in *bona fide* resident conversion.

26. The testimony from residents at the public hearing indicated that residents, in general, do not support the conversion of the park or this application.

27. There is no evidence in the record that the survey of support was conducted in accordance with an agreement between the applicant and a resident homeowners association that is independent of the applicant or the mobilehome park owner as required by Government Code § 66427.5(d)(2).

28. The tenant impact report submitted by the applicant does not satisfy the requirements of Government Code § 66427.4 in that it fails to report on the impact of the conversion upon displaced residents of this park.

29. The tenant impact report submitted by the applicant does not satisfy the requirements of Government Code § 66427.4 in that it fails to address the availability of adequate replacement space in mobilehome parks.

30. The tenant impact report fails to properly disclose the extraordinary measures needed to meet the requirements of the California Department of Fish and Game and fails to acknowledge the unreasonable liability and maintenance responsibilities that will be borne by the resident owners following the date of conversion.

31. The tenant impact report fails to address the significant remediation costs should the park be determined responsible for contamination within the wetland and concludes, without evidentiary support, that there will be no displacement of residents due to potential increases in assessments to cover unusual and unexpected costs associated with the wetlands.

32. The tenant impact report concludes, without evidentiary support, that there will be no displacement of residents because the applicant will not exercise the right to terminate tenancies, and fails to acknowledge or consider the impact of rent increases on the continued financial viability of non-low income non-purchasing residents remaining as park renters following the date of conversion.



33. The tenant impact report fails to estimate the likely increase in rental rates on non-low income non-purchasing residents, or the impact of such rental adjustments on available disposable income, to determine if such rent increases as are allowed in Government Code § 66427.5 could or will result in short- or long-term resident displacement.

34. The tenant impact report concludes, without evidentiary support, that because the applicant has waived the right to terminate tenancies, there will be no non-low income non-purchasing resident displacement as a result of the conversion without considering whether the economic impact of annual rent increases may result in resident displacement.

35. The tenant impact report fails to address the availability of adequate replacement space in mobilehome parks because the report concludes, without evidentiary support, that because there will not be immediate terminations of tenancies by the applicant, there will be no displacement as a result of the application.

Section 10. Pursuant to Government Code Section 66473.5, the City Council finds that the proposed conversion of the park to nominal resident ownership is incompatible with the objectives, policies, and general land use and programs provided in the City's General Plan.

Section 11. Pursuant to Government Code Section 66474, the city shall deny approval of a parcel map if it makes *any* of the findings listed below. The City Council, therefore, finds as follows:

- a) ***That the proposed map is not consistent with applicable general and specific plans as specified in Section 65451.***

Pursuant to the General Plan, the proposed subdivision map is not consistent with the density, goals, policies and objectives for low density residential development applicable to the property in question.

Section 12. Pursuant to Government Code Sections 66427, 66427.4, 66427.5, 66451, 66452 and the City of Carson Municipal Code Sections 9202.1 through 9209.6, the Planning Commission further determines as follows:

- a) That each resident of the park has received all applicable notices and rights now or hereafter required by Section 66427 and in Chapter 3 of the California Subdivision Map Act (commencing with Section 66451);
- b) That the applicant has failed to demonstrate that a survey of support was conducted in conformance with Government Code § 66427.5;
- c) That the applicant has failed to demonstrate that there is sufficient resident support for this application sufficient to enable the Planning Commission to find and determine that approval of this application will result in a *bona fide* conversion to resident ownership in conformance with Government Code § 66427.5;
- d) That the applicant has failed to comply with Government Code § 66427.4 in that the Tenant Impact Report fails to adequately consider the impact of the proposed conversion upon the displaced residents of the park.



- e) The tenant impact report submitted by the applicant does not satisfy the requirements of Government Code § 66427.4 in that it fails to report on the impact of the conversion upon displaced residents of this park.
- f) The tenant impact report submitted by the applicant does not satisfy the requirements of Government Code § 66427.4 in that it fails to address the availability of adequate replacement space in mobilehome parks.
- g) The survey of support is insufficient to support a finding that approval of this application will result in a bona fide conversion to resident ownership as required by Government Code § 66427.5.

Section 13. Based on the foregoing, the City Council affirms the Planning Commission's decision to deny Tentative Parcel Map No. 27014.

Section 14. This action shall become final and effective fifteen days after the adoption of this Resolution.

Section 15. The City Clerk shall certify to the adoption of the Resolution and shall transmit copies of the same to the applicant.

PASSED, APPROVED AND ADOPTED THIS 4th DAY OF SEPTEMBER, 2007.

MAYOR JIM DEAR

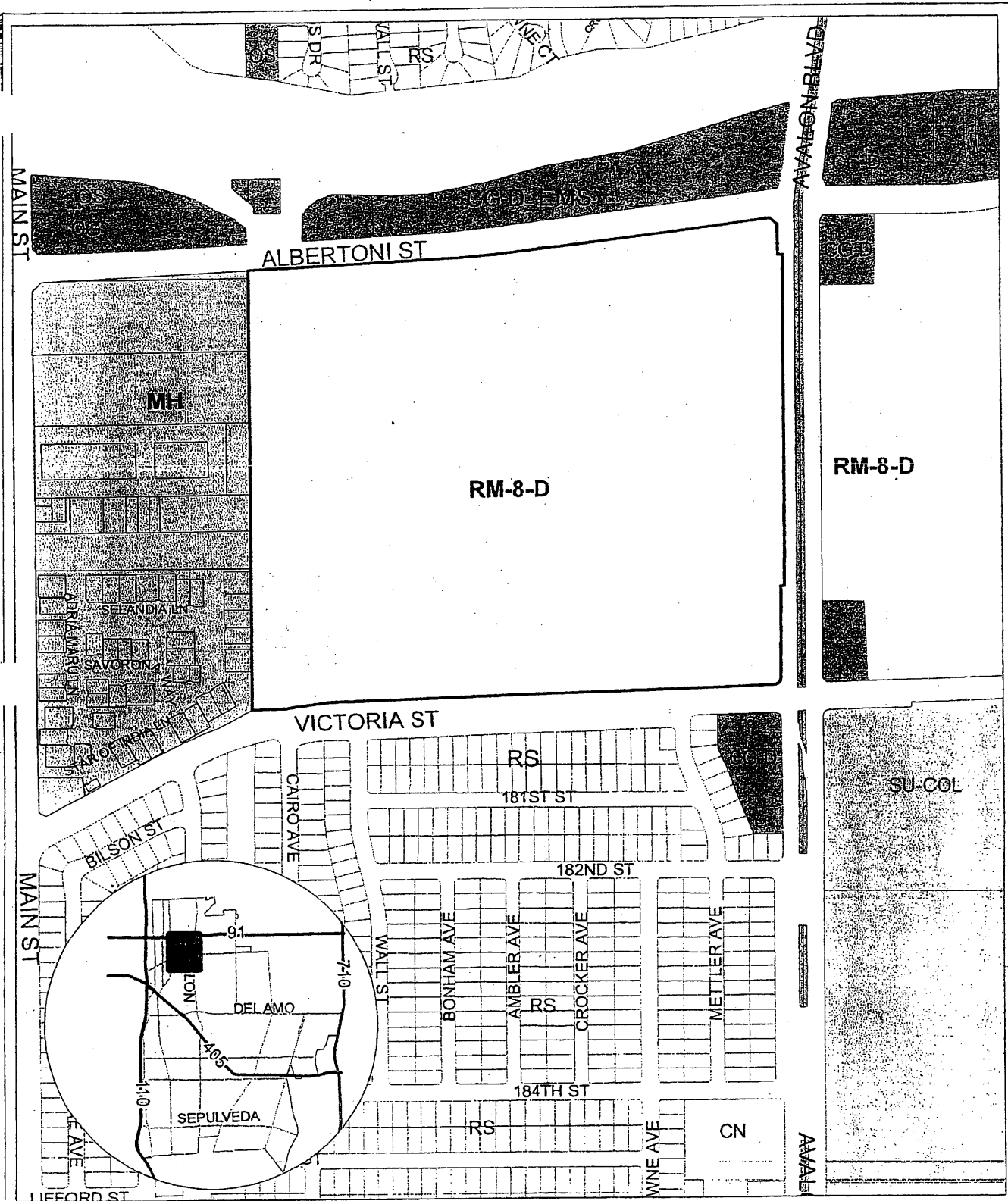
ATTEST:

City Clerk

APPROVED AS TO FORM

City Attorney





City of Carson

ZONING MAP FOR 17701 AVALON BLVD

10/18/2005
 Mapbook:Planning_Division\Resub Maps\17701-17705 Ets\ZoningMap.mxd

