



Agenda Item D.2
DISCUSSION/ ACTION ITEM
Meeting Date: March 17, 2009

TO: Mayor and Councilmembers

FROM: Tim W. Giles, City Attorney

SUBJECT: AB 566 Mobilehome Park Conversion Statute Amendment Sponsorship

RECOMMENDATION:

Adopt Resolution 09- ____ entitled, "A Resolution of the City Council of the City of Goleta, California, Supporting AB 566, State Law Amendments to Protect Mobilehome Park Residents from Unsupported Conversions".

BACKGROUND:

Government Code Section 66527.5 governs conversion of mobilehome parks to tenant ownership. Section 66427.5 does not provide a City the opportunity to protect tenants from a park conversion which they do not support. AB 566, introduced by Assemblymember Pedro Nava, would amend section 66427.5. The City of Carson has requested that the City of Goleta support AB 566 as a no cost co-sponsor of AB 566. The proposed legislation would clarify that the intent and purpose of the legislation is to protect mobilehome residents and allow cities the ability to prevent unsupported conversions and preserve affordable housing.

DISCUSSION:

The City of Goleta has a long standing policy supporting tenants of mobilehome parks and has in place a moratorium on park conversions pursuant to section 66427.5. The City has taken the position that State Law should allow local jurisdictions greater latitude in protecting tenants from unwanted conversions.

On February 25, 2009, Assemblymember Pedro Nava introduced legislation at the urging of the City of Carson which would amend section 66427.5 to require a majority vote of the tenants in support of a conversion and would allow local jurisdictions to adopt regulations to effectuate the purposes of the statute.

The City of Carson has requested that the City of Goleta join as a named co-sponsor of the proposed amendment. As this legislation is consistent with the City's policy regarding mobilehomes, the request was referred directly to the Council.

GOLETA STRATEGIC PLAN:

The resolution is consistent with the Goal in the Goleta Strategic Plan entitled, "Creating and Preserving affordable Housing", as well as the Objective "Defending Mobilehome Ordinance", and "Participate and Advocate Legislative Issues" and moves the City closer toward realizing its vision as defined within the City's Strategic Plan.

ALTERNATIVES:

The Council can choose not to support this legislature as a co-sponsor at this time. This would not prevent the City from providing future support for this assembly bill as it works it way through legislature. The Council may choose to refer this proposal to either its mobilehome subcommittee or legislation subcommittee.

FISCAL IMPACTS:

There is no cost associated with the co-sponsorship.

Submitted By:

Reviewed By:

Approved By:

Tim W. Giles
City Attorney

Michelle Greene
Administrative Services
Director

Daniel Singer
City Manager

ATTACHMENTS:

1. Resolution 09-____ entitled, "A Resolution of the City Council of the City of Goleta, California, Supporting AB 566, State Law Amendments to Protect Mobilehome Park Residents from Unsupported Conversions"

ATTACHMENT 1

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GOLETA,
CALIFORNIA, SUPPORTING AB566, STATE LAW AMENDMENTS TO
PROTECTMOBILEHOME PARK RESIDENTS FROM UNSUPPORTED
CONVERSIONS**

RESOLUTION NO. 09-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GOLETA, CALIFORNIA, SUPPORTING AB 566 STATE LAW AMENDMENTS TO PROTECT MOBILEHOME PARK RESIDENTS FROM UNSUPPORTED CONVERSIONS

WHEREAS, Government Code § 66427.5 (“CONVERSION STATUE”) was passed in the early 1980’s and amended in 2002, by Assembly Bill 930 (Keeley), intending to facilitate conversions to resident ownership of mobilehome parks by streamlining the process for conversions by ensuring minimal governmental oversight or regulation since the mobilehome park residents have limited resources; and

WHEREAS, some landlords have argued that the mandates of a streamlined conversion process with minimal governmental oversight or regulation should apply even when such conversions have little or no support from mobilehome park residents; and

WHEREAS, as currently drafted the Conversion Statute has been construed by some courts to allow the streamlined conversion process with minimal government oversight without substantial support from the tenants and at least one court of appeal has called this loophole a “legislative oversight;” and

WHEREAS, mobilehome park residents have significant investments in their homes and the subdivision of a mobilehome park can result on mobilehome park residents losing the value of their investments; and

WHEREAS, one of the procedures required by AB 930 was that a proposed conversion must be put to a “vote” of the mobilehome park residents, called a “survey of support,” which survey must be submitted as part of the park owner’s application to the city to convert the park; however, while the intent of AB 930 was to require support from mobilehome park residents, AB 930 did not expressly state the level of support that was required; and

WHEREAS, the City Council supports reforming the Conversion Statute and urges the State legislature to protect mobilehome park residents’ ability to have a voice in a conversion process which can have a dramatic impact on the value of their investment; and

WHEREAS, enactment of reform legislation is critical to preserve affordable housing in cities such as Goleta where much of the affordable housing stock is located in mobilehome parks which could be threatened by conversions without reasonable local regulations and over the objections of park residents; and

WHEREAS, it is important that any legislative reform to the Conversion Statue also provide that the local agency is empowered to impose appropriate conditions to protect the local agency’s affordable housing stock; and

WHEREAS, the City of Goleta, Golden State Mobilehome Owners League, California League of Cities, and many other cities have supported previous legislative proposals to reform the Conversion Statute; and

WHEREAS, Assembly Bill 566, introduced by State Assemblymember Pedro Nava on February 25, 2009, would ensure that mobilehome park residents have a opportunity to cast a meaningful vote on whether the mobilehome park in which they have affixed their homes should be subdivided, and will help clarify that local agencies processing mobilehome park subdivision applications are able to impose reasonable local regulations to preserve affordable housing for their residents.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GOLETA, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE and ORDER AS FOLLOWS:

SECTION 1.

The City Council does hereby announce its support for Assembly Bill 566 and requests that the City of Goleta be added to the list of supporters and co-sponsors of AB 566. A copy of Assembly Bill 566, as introduced on February 25, 2009, is attached as Exhibit "A."

SECTION 2.

The City Council directs City staff to transmit a copy of this resolution to State Assemblymember Pedro Nava, to communicate the City's position to applicable legislative committees and other interested parties, and to any other action reasonably necessary to monitor Assembly Bill 566 and report periodically to the City Council as to the measure's status.

SECTION 3.

The City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of Resolutions.

PASSED, APPROVED AND ADOPTED this 17th day of March, 2009.

ROGER S. ACEVES, MAYOR

ATTEST:

APPROVED AS TO FORM:

DEBORAH CONSTANTINO
CITY CLERK

TIM W. GILES
CITY ATTORNEY

EXHIBIT "A"

BILL NUMBER: AB 566 INTRODUCED
BILL TEXT

INTRODUCED BY Assembly Member Nava

FEBRUARY 25, 2009

An act to amend Section 66427.5 of the Government Code, relating to mobilehome parks.

LEGISLATIVE COUNSEL'S DIGEST

AB 566, as introduced, Nava. Mobilehome parks: conversion.

(1) The Subdivision Map Act requires a subdivider, at the time of filing a tentative or parcel map for a subdivision to be created from the conversion of a mobilehome park to resident ownership, to avoid the economic displacement of nonpurchasing residents by obtaining a survey of support of residents of the mobilehome park for the proposed conversion, among other things. A violation of the act is a crime punishable as a felony or a misdemeanor.

This bill would require that survey of residents of the mobilehome park for proposed conversion to demonstrate support of a majority of the residents of the mobilehome park. The bill also would state that a local agency is not prohibited from enacting reasonable measures by ordinance to prevent sham conversions or to preserve affordable housing. Because the bill would expand the scope of an existing crime, it would impose a state-mandated local program.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 66427.5 of the Government Code is amended to read:

66427.5. 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~~ *demonstrating* support of *a majority of the* 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.

(3) *Nothing in this section shall be construed as prohibiting a local agency from enacting reasonable measures by ordinance to prevent sham conversions or to preserve affordable housing.*

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.