

Agenda Report



MEETING DATE: Tuesday, September 24, 2024

TO: City Council

FROM: CITY ATTORNEY ZUTLER

SUBJECT: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE ADDING CHAPTER 4 (MOBILE HOME PARK CONVERSIONS OR CLOSURES) TO TITLE 11 (MOBILE HOMES AND PARKS) OF THE WATSONVILLE MUNICIPAL CODE RELATING TO MOBILEHOME PARK CONVERSIONS AND CLOSURES; REPEALING

RECOMMENDED ACTION:

Planning Commission recommends that the City Council: Introduce, for first reading only, waiving full reading of the text, an Ordinance adding Chapter 4 entitled Mobile Home Park Conversions or Closures to Title 11 (Mobile Homes and Parks) of the Watsonville Municipal Code Relating to Mobilehome Park Conversions or Closures; Repealing Chapter 14-42 of the Watsonville Municipal Code; and Amending Section 14-16.705 (Property Development Standards) within PART 7 (R-MH—RESIDENTIAL MANUFACTURED HOME PARK DISTRICT) of Chapter 14-16 (DISTRICT REGULATIONS) within Title 14 (ZONING) of the Watsonville Municipal Code.

BACKGROUND:

California is in the midst of a statewide housing crisis, where higher land costs and property values are impacting the development and preservation of the affordable housing stock statewide. In Watsonville, as in other jurisdictions, mobile homes are an affordable housing choice for many City residents and have historically been accessible to individuals of low- and moderate incomes, older individuals, people with fixed incomes, individuals with disabilities, and vulnerable populations. Because of increasing land costs and property values, many mobilehome park owners in California in recent years have considered closing or converting their properties to other uses.¹

In the event of a mobile home park owner's decision to convert or close their parks, Staff is bringing this ordinance to implement State law protections in place for potentially

¹ See, e.g., <https://www.pressdemocrat.com/article/news/mobile-home-park-owner-threatens-closure-after-cotati-passes-regulation-to/>; <https://gvwire.com/2023/11/17/mobile-home-park-closure-halted-chavez-floats-eminent-domain-proposal/>.

displaced mobilehome owners, clarify the process for closure or conversion of a mobilehome park, and make clean-up changes to the Watsonville Municipal Code in conformance with these provisions.

The closure or conversion of mobilehome parks result in critical economic impacts to mobilehome owners. This is because mobilehome owners, unlike apartment tenants or residents of other rental properties, are unique in that they purchase their mobilehomes and are homeowners, but the mobilehome structures are sited on a space that is rented or leased from a mobilehome park owner. Mobilehome owners thus make substantial investments in their homes and their spaces, which could be lost due to a mobilehome park owner's decision to close. Moreover, mobilehomes are not truly "mobile," as relocation of a mobilehome can generally only be accomplished at substantial cost, and could result in extensive damage to the structure. Many parks also have restrictions on relocation of mobilehomes, depending on the age of the structure.

State law recognizes the unique impacts that conversion or closure of a mobilehome park could have on mobilehome residents, and prescribes a process to ensure that adverse impacts on displaced residents stemming from a park closure are appropriately mitigated. (Gov. Code § 65863.7.) State law authorizes local jurisdictions to develop additional regulations to address conversions and closures of mobilehome parks.

The City has 919 mobilehome spaces, constituting 6% of the City's total of 14,882 housing units, and thus, mobilehomes are an important component of the City's housing stock. Accordingly, staff recommends that the City update its regulations regarding conversion or closure of mobilehome parks, and ensure regulations are consistent with State law.

The Planning Commission considered the proposed ordinance and ordinance amendments at their regular hearing on September 3, 2024, in which the Planning Commission adopted Resolution No. 8-24 (PC) recommending that the City Council adopt WMC Chapter 11-4, amendments to WMC Chapter 14-16.705 and repeal WMC Chapter 14-42.

DISCUSSION:

To ensure that the City's regulations regarding conversion or closure of mobilehome parks are consistent with State law, are clear, and ensure the adverse impacts on mobilehome tenants of a potential conversion or closure are mitigated, City staff proposes an ordinance which: (1) adds Chapter 4 (Mobile Home Park Conversions or Closures) to Title 11 (Mobile Homes and Parks) of the Watsonville Municipal Code Relating to Mobilehome Park Conversions or Closures; (2) repeals Chapter 14-42 (Mobile Home Park Conversions to Resident Ownership or to Any other Use) of the Watsonville Municipal Code; and (3) amends Part 7 (R-MH—RESIDENTIAL MANUFACTURED HOME PARK DISTRICT) of Chapter 16 (DISTRICT REGULATIONS) within Title 14 (ZONING) of the Watsonville Municipal Code. The actions are described in further detail below.

1. Add Chapter 4 to Title 11 of the Watsonville Municipal Code Relating to Mobilehome Park Conversions or Closures.

The proposed ordinance has the following key features:

Special Conditional Use Permit Requirement (Proposed Sec. 11.4-130)
Proposed Chapter 11.4 requires mobilehome park owners to apply for a “conditional special use permit for conversion or closure” prior to any action to convert or close the park. (Proposed Sec. 11.4-130.) The application would be considered by the City Council concurrently with any other land use approvals that the park owner is seeking. (Proposed Sec. 11.4-130(E).) The park owner must provide notice to residents of the application, and to meet with them. (Proposed Sec. 11.4-130(F).)

Relocation Impact Report (Proposed Sec. 11.4-140)

Prior to the conversion or closure of a mobilehome park, State law requires park owners to file a report on the impact of such planned conversion or closure. (Gov. Code § 65863.7.) The report is required to include “a replacement and relocation plan that adequately mitigates the impact upon the ability of the displaced residents of the mobilehome park to be converted or closed to find adequate housing in a mobilehome park.” (Gov. Code § 65863.7(a)(1).) Proposed Chapter 11.4 requires additional key information, including:

- a description of impacts of the proposed conversion on the displaced homeowners’ abilities to find and obtain adequate housing in “Comparable Mobilehome Parks,” which is defined as a park located in Santa Cruz County, Santa Clara County, or is located within 20 miles of the park proposed for conversion or closure;
- analysis of any significant economic and social impacts on the displaced residents;
- analysis of whether the park proposed for conversion or closure contains any of the City’s low- or moderate-income affordable housing stock;
- analysis of the proposed closure’s consistency with the City’s Housing Element;
- analysis of whether the proposed conversion will result in or materially contribute to a shortage of low- and moderate-income affordable housing within the City;
- a description of each mobilehome and general characteristics of the household in order to determine the adverse impacts of the decision to convert or close the mobilehome park;
- a description of potential mitigation benefits that a displaced mobilehome resident should be provided by the park owner.

Displaced Mobilehome Owner Mitigation Benefits (Proposed Secs. 11.4-140, 150, 190)

The ordinance provides that while mitigation benefits may not exceed the reasonable cost of relocation, benefits may include, but are not limited to the following categories of expenses that face a displaced mobilehome park resident:

- Payment of the cost of physically moving a displaced Mobilehome to a new site
- Costs associated with replacement of or reconstruction of blocks, skirting, siding, porches, decks, awnings, storage sheds, cabanas, and earthquake bracing as necessitated by the relocation;
- Costs of insurance to protect against damage to personal property;
- Security deposits and first and the last month's rent for a new mobilehome park;
- Living expenses that may occur if there is a gap between the date of displacement and Relocation to a new home;
- Payment of the appraised in-place market value of the Displaced Homeowner's Mobilehome pursuant to Government Code Section 65863.7(a)(2)(A);
- A lump sum payment to enable the purchase or relocate into another mobilehome

The payment of mitigation benefits are required to be a condition of approval of the permit. The ordinance also contains a provision that if the requirement to provide mitigation benefits results in a taking, as demonstrated through an exemption application process, there is a mechanism for relief for the property owner if certain findings can be rendered.

The provisions of this ordinance protect mobilehome residents' investments and mitigates disruptions caused by a park owner's decision to convert or close their park, while also recognizing a park owner's property rights.

2. Repeal Chapter 14-42 of the Watsonville Municipal Code.

Chapter 14-42 of the Watsonville Municipal Code [MOBILE HOME PARK CONVERSIONS TO RESIDENT OWNERSHIP OR TO ANY OTHER USE] was adopted by the City in 1990, and includes outdated provisions, many of which are now preempted by State law. Crucially, many of the regulations conflict with Proposed Chapter 11.4. This is relevant because Chapter 14-42 contains a provision that preempts any other provision in the Watsonville Municipal Code, stating: "any conflict between the provisions of this chapter and such other parts of this title, the provisions of this chapter shall control."

Thus, in order to ensure Chapter 11.4 is effective, Staff recommends repeal of Chapter 14-42.

3. Amend Section 14-16.705

Staff recommends amending Section 14.-16.705 of the Watsonville Municipal Code, pertaining to development standards, to clarify that Proposed Chapter 11.4 applies for regulating conversions or closures of mobilehome parks, as follows:

14-16.705 Property development standards.

Mobile homes and mobile home parks shall conform to the property development standards set forth in Chapter 1 (Local Standards and Regulations for Mobile Homes and Parks) of Title [11](#) (Mobile Homes and

Parks). Mobile homes on single-family residential lots shall conform to the property development standards set forth in Chapter 2 (Mobile Homes on Single-Family Residential Lots) of Title [11](#) (Mobile Homes and Parks). A design review permit shall be required for any new development in the R-MH Overlay District. A minor design review permit shall be required for any remodels or additions to existing facilities so long as the existing density is not increased or the number of mobile home spaces reduced. **Mobile homes proposed for conversion or closure shall be subject to the standards set forth in Chapter 4 of Title 11 (Mobile Home Park Conversions or Closures).**

CEQA

The provisions of the proposed Ordinance Additions and Amendments: (1) add Chapter 4 to Title 11 of the Watsonville Municipal Code Relating to Mobilehome Park Conversions and Closures; (2) repeal Chapter 14-42 of the Watsonville Municipal Code; and (3) amend Section 14-16.705 within Part 7 (R-MH—RESIDENTIAL MANUFACTURED HOME PARK DISTRICT) of Chapter 16 (DISTRICT REGULATIONS) within Title 14 (Zoning) of the Watsonville Municipal Code, is not subject to review under the California Environmental Quality Act (CEQA) pursuant to Public Resources Code Section 21000, et seq. and the CEQA Guidelines (14 Cal. Code Regs. §§ 15000 et. seq.), including without limitation, Public Resources Code section 21065 and California Code of Regulations 15378(a), as this is not a “project” that may cause a direct, or reasonably foreseeable indirect, physical change in the environment. In addition, if adoption of the Resolution were considered to be a “project”, it would be exempt under the “common sense” exception (14 Cal. Code Regs. § 15061(b)(3)), because it can be seen with certainty that there is no possibility that this action may have a significant effect on the environment. The Resolution does not propose or permit any new development, nor does it increase (or change in any way) the land use, density, or development regulations applicable to any property.

CONCLUSION:

Proposed Chapter 11.4 will establish a process where the City can regulate conversions or closures of mobilehome parks, and ensure that potential adverse impacts on displaced mobilehome park residents are appropriately mitigated.

FINANCIAL IMPACT:

Ordinance administration costs, including staff time, in the event a closure or conversion of a mobilehome park is proposed.

STRATEGIC PLAN:

The proposed Chapter 11.4 aligns with Council Strategic Plan Goal 3, Housing, in that the regulations set forth in the ordinance clearly regulates proposed conversions or closures of mobilehome parks, and ensures that impacts to residents by such conversions or closures are appropriately mitigated.

ALTERNATIVE ACTION:

The City Council could decline to introduce the ordinance or direct staff to revise the draft presented.

ATTACHMENTS AND/OR REFERENCES (If any):

1. [Link to September 3, 2024, Planning Commission Packet](#)