



Staff Report to the Planning Commission

Application Number: **07-0310**

Applicant: Sid Goldstien

Owner: Paul Goldstone

APN: 030-131-05, -22, -23, -26, -27

Agenda Date: October 14, 2009

Agenda Item #:

Time: After 9:00 a.m.

Project Description: Proposal to convert the existing Alimur Mobile Home Park from a rental occupied park to an ownership park with 147 spaces. Requires a Vesting Tentative Map (Subdivision).

Location: The property is located on the west side of Robertson Avenue at the intersection of Soquel Drive in Soquel at 4300 Soquel Drive.

Supervisory District: First District (District Supervisor: John Leopold)

Permits Required: Vesting Tentative Map

Technical Reviews: infrastructure study

Staff Recommendation:

- Determine that the proposed mobile home park conversion should be denied based on consideration of the results of the resident survey of support, and upon additional evidence of resident opposition to the proposed conversion, as provided for under State Government Code Section 66427.5(d)(5).
- Forward a recommendation to the County Board of Supervisors of **DENIAL** of Application Number **07-0310**, based on the attached findings.
- Certification that the proposed project is exempt from further Environmental Review under Title 14 CCR Section 15270 of the California Environmental Quality Act.

Exhibits

- | | |
|---------------------------------------|---------------------------------------|
| A. Project plans | staff report and other materials from |
| B. Findings | the 2/25/09 Planning Commission |
| C. CEQA determination | hearing |
| D. Vesting Tentative map, Assessor's | F. State Government Code Section |
| parcel map and Location map | 66427.5 |
| E. Attachments from the 4/21/09 Board | G. Late Correspondence |
| of Supervisors hearing, including the | |

Parcel Information

Parcel Size: 12.3 acres total (5 parcels)
Existing Land Use - Parcel: Mobile Home Residential
Existing Land Use - Surrounding: Single and multi-family residential, community commercial, professional offices
Project Access: From Robertson St. off the corner of Robertson and Soquel
Planning Area: Soquel
Land Use Designation: R-UH (urban high residential)
Zone District: RM-3-MH (manufactured home residential)
Coastal Zone: ☐ Inside ☒ Outside
Appealable to Calif. Coastal Comm. ☐ Yes ☒ No

Environmental Information

Geologic Hazards: Not mapped/no physical evidence on site
Soils: N/A
Fire Hazard: Not a mapped constraint
Slopes: N/A
Env. Sen. Habitat: Not mapped/no physical evidence on site
Grading: No grading proposed
Tree Removal: No trees proposed to be removed
Scenic: Not a mapped resource
Drainage: Existing drainage adequate
Archeology: Portion mapped; no ground disturbance is proposed

Services Information

Urban/Rural Services Line: ☒ Inside ☐ Outside
Water Supply: City of Santa Cruz Water
Sewage Disposal: County Sanitation
Fire District: Central Fire District
Drainage District: Zone 5

History

The mobile home park was originally constructed in 1957. In 1966, Permit 2605-U was approved for the expansion of the existing trailer park at the project site from 104 spaces to 146 spaces. In 1966, Permit 774-V was also approved to allow for trailer spaces within 10 feet of the west side setback and rear setback. In 1975, a single-family residence on the project site was converted to 3 apartments under Permit # 75-145-PD. Other permits have been issued through the years for a variety of infrastructure and site improvements, including improvements to individual units.

Application # 07-0310 to convert the existing park from a rental park to an ownership park was filed on June 19th 2007. The Planning Commission originally considered this application on February 25, 2009. The hearing generated a large amount of correspondence (see Exhibit E of this staff report for all prior correspondence from the 2/23/09 Planning Commission and the 4/21/09 Board of Supervisors hearings). The representatives of the owner presented their position as to why the County must approve the conversion, and numerous Park residents testified that they did not support the proposed conversion.

Following extensive testimony and discussion, the Planning Commission voted 5-0 to recommend denial of the application to the County Board of Supervisors. This decision was based on findings that the subdivider had failed to overcome the presumption that the conversion was not a bona-fide resident conversion under Chapter 14.08 of the County Code.

On April 21, 2009, the proposed ownership conversion was heard by the County Board of Supervisors and was denied in conformance with the recommendations of the Planning Commission and staff. This denial was subsequently rescinded by the Board of Supervisors on September 15, 2009, and the application was remanded back to the Planning Commission for a new hearing under the requirements of Government Code 66427.5. At the same time, the Board initiated a repeal of Chapter 14.08, based in part on a recent appellate court decision ruling that a similar set of regulations enacted by the County of Sonoma were preempted by 66427.5.

Project Setting

Alimur Mobile Home Park is a 147-space mobilehome park located in Soquel at 4300 Soquel Drive, at the corner of Soquel Drive and Robertson Avenue. The subject property is a 12.3-acre multi-parcel lot near the westerly limits of the Soquel Village area, situated on a knoll that rises above the corner of Soquel Drive and Robertson Street. Site improvements include a park office and clubhouse building, a swimming pool and a laundry/ recreation room building, along with 147 mobile home rental spaces. Access to the entire site is from one driveway off of Robertson Street, near the intersection with Soquel Drive.

General Plan Consistency

The subject property is located in the RM-3-MH (multi-family residential, 3,000 square feet per unit density, mobilehome park combining District) zone district, a designation that allows mobile home residential parks. The density of the mobile home park is consistent with the site's (R-UH) urban high residential General Plan designation.

Regulation of Mobilehome Park Conversions Under the Subdivision Map Act

The requirements of Government Code Section 66427.5 address mobilehome conversions, including a stated Legislative intent to ensure that conversions pursuant to § 66427.5 are "bona fide resident conversions" (see Stats. 2002, ch.1143, Section 2, p. 3324). Government Code Section 66427.5 requires that a tenant impact report be completed and made available to each resident; that a survey of resident support has been conducted and properly filed; and that the results of the survey be submitted to the hearing body authorized by local ordinance to approve, conditionally approve or deny a map.

Significantly, Section 66427.5(d)(5) specifies that the results of the resident survey be considered as part of the hearing on the approval, conditional approval or denial of the proposed map. The results of the survey completed by the applicant and filed with the County for this discretionary application evidenced that very few residents voted in favor of conversion. The survey results were: 2 residents in favor, 119 residents not in favor, and 2 declining to vote.

Effects of Conversion

Conversion of the mobile home park to a resident-owned subdivision would exempt the park from local rent control requirements. Low-income tenants who do not choose to purchase their space may continue to rent under State rent control law that would limit their annual rent increases. However,

continue to rent under State rent control law that would limit their annual rent increases. However, rent control for low-income tenants would be in effect only for as long as those tenants remained at the Park; once low-income tenants leave, there would be no further rent control on those spaces, resulting in a net loss of affordable housing units over time. Furthermore, it appears that if a low-income tenant's income exceeded the limits set by Health and Safety Code Section 50079.5, even temporarily, they would no longer receive the State rent control protection.

Low-income tenants who do not purchase their units will no longer have local rent control/stabilization per County Code Chapter 13.32. After conversion, State Government Code Section 66427.5(f)(2) will allow for an increase in the pre-conversion rent equal to the average monthly rent increase in the 4 years preceding the conversion, not to exceed the average monthly increase in the Consumer Price Index for the most recently reported period.

Moderate-income non-purchasing tenants can have their rents raised to market level pursuant to State Government Code Section 66427.5(f)(1), in equal annual increases over a 4-year period.

State Government Code Section 66427.5.

The applicant had previously complied with all the procedural requirements of Government Code Section 66427.5 through submission of an application that included a tenant impact report that was made available to park residents, and by the inclusion of a completed survey of park resident. The full text of State Government Code Section 66427.5 is attached to this staff report as Exhibit F.

The results of the resident survey filed with the County established a high level of resident opposition to the conversion of the park. The survey results were: 2 residents in favor, 119 residents not in favor, and 2 declining to vote. As previously noted, subsection (d)(5) of § 66427.5 requires that the results of the survey "be considered as part of the subdivision map hearing." This requirement was added in 2002 by a legislative amendment of Section 66427.5. The Assembly Bill adding the resident survey requirement included a statement of the Legislature's intent in enacting the measure:

"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 Palm Springs, Ltd. 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 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."

Based on the results of the resident survey, in addition to the letters and testimony provided by residents in opposition to the conversion, staff recommends that the Commission exercise its discretion under Government Code Section 66427.5 to recommend that the Board of Supervisors deny Application No. 07-0310.

Environmental Review

Because the proposed conversion is being brought forward with a staff recommendation for denial, and no physical development is being proposed at this time, Environmental review of the proposed project per the requirements of the California Environmental Quality Act (CEQA) has resulted in the determination that the proposed project is exempt per CEQA Section 15270: Projects Which Are Disapproved.

Should a decision be made to approve the proposed conversion, additional environmental review may be required, due to the need to fully examine the potential for significant impacts that may result from conversion of Alimur Park from a rental facility to individual-ownership units. An Initial Study would allow for a review and discussion of the possible environmental impacts, and whether those impacts, if any, could be mitigated to less than significant levels.

Possible issues to evaluate under CEQA may include whether the proposed conversion might displace substantial numbers of people over time and cumulatively necessitate the construction of replacement low-and-moderate-income housing elsewhere. With the increased property values of owner-occupied park spaces, an accelerated schedule of replacement or upgrades to existing units could result in impacts to aesthetics, intensification of demand on public utilities, increased traffic, short-term construction impacts, increased levels of night lighting or potential disturbance of mapped archeological resources, to name some of the potential issues that may require CEQA analysis.

Conclusion

Based upon the results of the resident survey and other evidence in the record of resident opposition to the proposed conversion, the application should be recommended for denial. Please see Exhibit "B" ("Findings") for a complete listing of findings and evidence related to the above discussion.

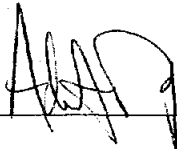
Staff Recommendation:

- Determine that the proposed mobile home park conversion should be denied based on consideration of the results of the resident survey of support, and upon additional evidence of resident opposition to the proposed conversion, as provided for under State Government Code Section 66427.5(d)(5).
- Forward a recommendation to the County Board of Supervisors of **DENIAL** of Application Number **07-0310**, based on the attached findings.
- Certification that the proposed project is exempt from further Environmental Review under Title 14 CCR Section 15270 of the California Environmental Quality Act.

Supplementary reports and information referred to in this report are on file and available for viewing at the Santa Cruz County Planning Department, and are hereby made a part of the administrative record for the proposed project.

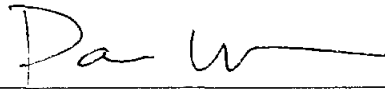
The County Code and General Plan, as well as hearing agendas and additional information are available online at: www.co.santa-cruz.ca.us

Report Prepared By: _____



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Santa Cruz County Planning Department
701 Ocean Street, 4th Floor
Santa Cruz CA 95060
Phone Number: (831) 454-3259
E-mail: alice.daly@co.santa-cruz.ca.us

Report Reviewed By: _____



Paia Levine
Principal Planner
Santa Cruz County Planning Department

Vesting Tentative Map Findings

Santa Cruz County Code Section 14.01.614

A vesting tentative map may be conditionally approved or denied if the Board of Supervisors makes any of the following determinations:

2. The condition or denial is required in order to comply with State or Federal laws.

The finding for denial is appropriate, in that State Government Code Section 66427.5 specifies that the results of the resident survey shall be considered as part of the hearing at which the local planning agency has the discretion to approve, conditionally approve or disapprove the proposed map. The results of the survey completed by the applicant and filed with the County for this discretionary application evidenced near unanimous resident opposition to the proposed conversion. The survey results were: 2 residents in favor, 119 residents not in favor, and 2 declining to vote.

State law directs that the results of the resident survey be considered when the local planning agency conducts a hearing on the application. The stated intent of the Legislature in enacting the survey requirement was to ensure that conversions pursuant to Section 66427.5 of the Government Code were bona fide resident conversions. The opposition to the proposed conversion by park residents establishes that the application is not a bona fide resident conversion.

At this time, there is no supporting evidence in the record to overcome this presumption, and the State explicitly allows that the survey results can be considered under the discretionary powers of the County Board of Supervisors to approve, conditionally approve or deny a proposal.

CALIFORNIA ENVIRONMENTAL QUALITY ACT NOTICE OF EXEMPTION

The Santa Cruz County Planning Department has reviewed the project described below and has determined that it is exempt from the provisions of CEQA as specified in Sections 15061 - 15332 of CEQA for the reason(s) which have been specified in this document.

Application Number: 07-0310

Assessor Parcel Number: 030-131-05, -22, -23, -26, -27

Project Location: 4300 Soquel Drive

Project Description: Proposal to convert an existing tenant-occupied mobile-home park to an ownership park with 147 spaces

Person or Agency Proposing Project: Sid Goldstien

Contact Phone Number: 805-688-1526

- A. ☐ The proposed activity is not a project under CEQA Guidelines Section 15378.
B. ☐ The proposed activity is not subject to CEQA as specified under CEQA Guidelines Section 15060 (c).
C. ☐ **Ministerial Project** involving only the use of fixed standards or objective measurements without personal judgment.
D. ☐ **Statutory Exemption** other than a Ministerial Project (CEQA Guidelines Section 15260 to 15285).

Specify type:

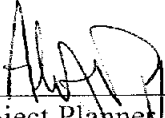
E. ☒ **Categorical Exemption**

Specify type: Section 15270: Projects Which Are Disapproved

F. Reasons why the project is exempt:

The proposed project is not consistent with County Code and is recommended for denial.

In addition, none of the conditions described in Section 15300.2 apply to this project.



Alice Daly, Project Planner

Date: 10/2/09

THE ASSESSOR MAKES NO GUARANTEE AS TO MAP ACCURACY NOR ASSUMES ANY LIABILITY FOR OTHER USES. NOT TO BE REPRODUCED. ALL RIGHTS RESERVED.
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POR. RANCHO ARROYO DEL RODEO
SEC. 10, T.11S., R.1W., M.D.B. &M.

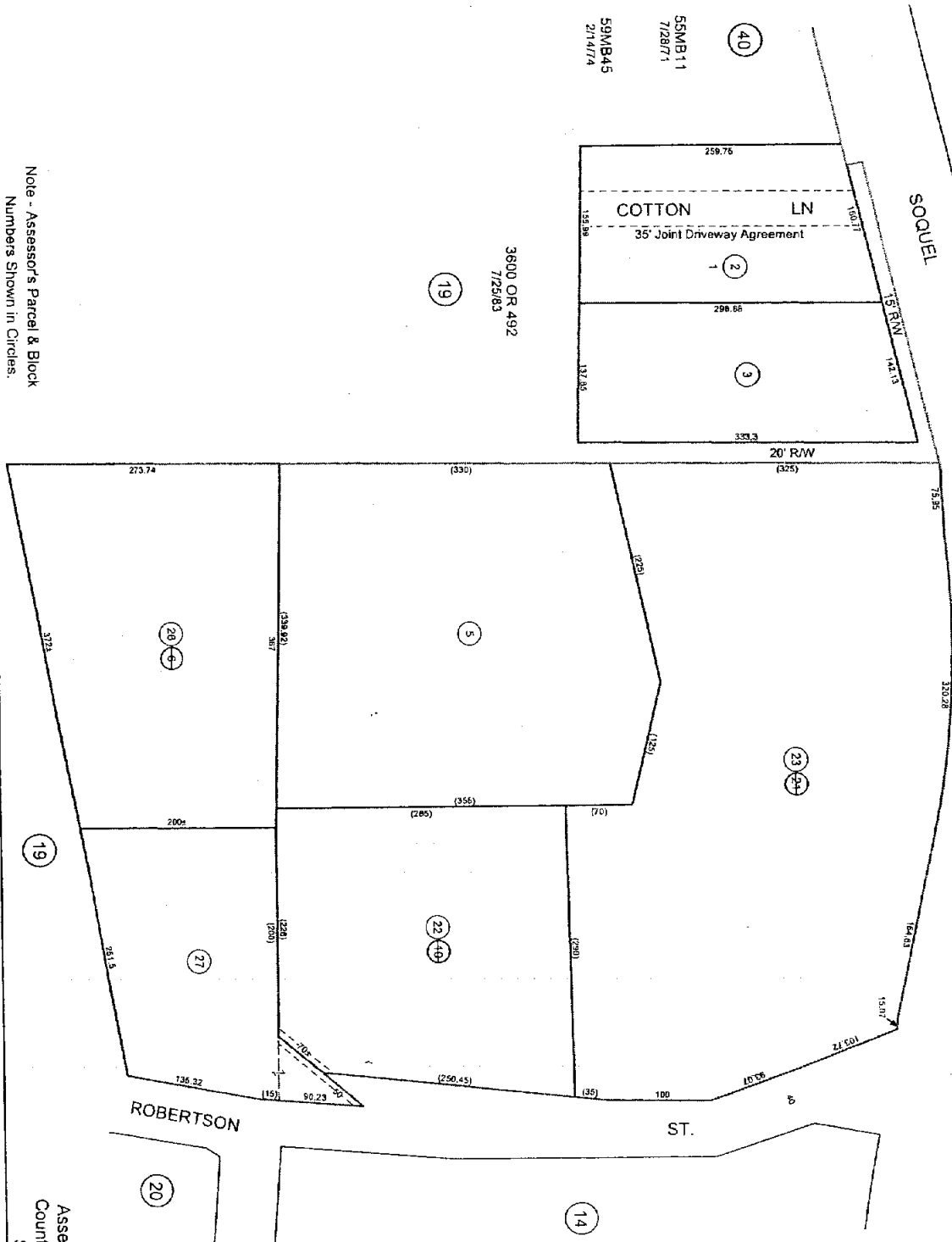
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Tax Area Code
96-103

30-13

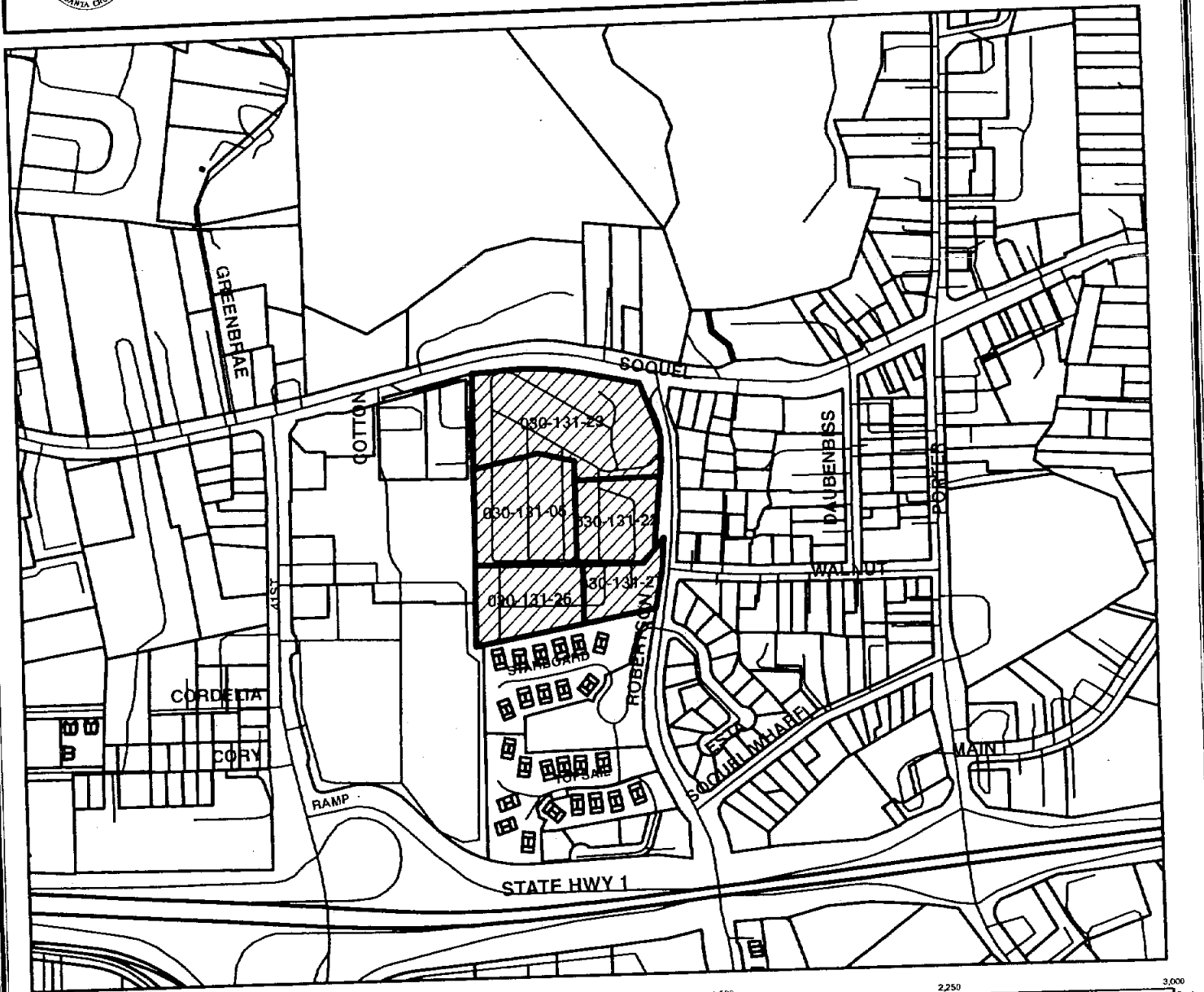
Note - Assessor's Parcel & Block Numbers Shown in Circles.

Assessor's Map No. 30-13
County of Santa Cruz, Calif.
September, 1998







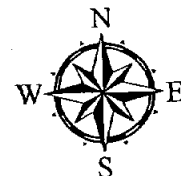


Location Map



LEGEND

-  Subject Parcels
-  Assessors Parcels
-  Streets
-  State Highways



Map Created by
County of Santa Cruz
Planning Department
January 2009



COUNTY OF SANTA CRUZ

PLANNING DEPARTMENT

0351

701 OCEAN STREET - 4TH FLOOR, SANTA CRUZ, CA 95060
(831) 454-2580 FAX: (831) 454-2131 TDD: (831) 454-2123

TOM BURNS, PLANNING DIRECTOR

April 8, 2009

AGENDA DATE: April 21, 2009

Board of Supervisors
County of Santa Cruz
701 Ocean Street
Santa Cruz, CA 95060

SUBJECT: Public hearing on Application Number 07-0310, a proposal to convert the existing Alimur Mobile Home Park from a rental occupied park to an ownership park with 147 spaces.

Members of the Board:

The County has received an application to convert the rental-occupied Alimur Mobile Home Park to a resident-ownership park.

Chapter 14.08 of the County Code (entitled "Conversion of Mobilehome Parks to Resident Ownership") establishes a procedure and criteria for the review of applications for mobilehome park conversions. The ordinance requires, among other things, that the park owner conduct a resident survey to determine the level of support for the conversion. If less than 50% of the resident survey vote supports the conversion, it is presumed that the conversion is not a bona-fide resident conversion. The park owner then has the burden of demonstrating that the proposed conversion is a bona-fide resident conversion. The Board of Supervisors, based on recommendation of the Planning Commission, must consider an application for the conversion of a mobilehome park under these circumstances.

On February 25, 2009, the Planning Commission considered this application. Following extensive testimony, the Planning Commission voted to recommend denial of the application to your Board. This matter is now scheduled for review before your Board¹.

Site Description

Alimur Mobile Home Park is a 147-space mobilehome park located in Soquel at 4300 Soquel Drive, at the corner of Soquel Drive and Robertson Avenue. The subject property is a 12.3-acre multi-parcel lot near the westerly limits of the Soquel Village area, situated on a knoll that rises above the corner of Soquel Drive and Robertson Street. The mobile home park was originally developed in 1957. Site improvements include a park office and clubhouse building, a swimming pool and a laundry/ recreation room building, along with 147 mobile home rental spaces. Access to the entire site is from one driveway off of Robertson Street, near the intersection with Soquel Drive.

¹ The applicant's legal counsel submitted a letter of appeal to the Clerk of the Board on March 5, 2009. County Code Section 14.08.070 D requires this type of application to be considered by the Board of Supervisors. An appeal is not necessary.

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Conversion Ordinance

County Counsel has prepared a comprehensive analysis of the legal considerations of the state and local laws governing mobilehome conversions, including discussion of the background, legislative intent and applicable case law. This legal analysis and its exhibits are included as Attachment 6. The following is a brief overview of the County ordinance governing mobilehome park conversions.

Chapter 14.08 of the County Code (entitled "Conversion of Mobilehome Parks to Resident Ownership" – Exhibit G of Attachment 3) implements the requirements of Government Code Section 66427.5. Section 14.08.070 requires that an application for the conversion of a mobile home park to resident ownership shall only be approved if the decision-maker finds that (a) a survey of resident support has been conducted and properly filed; (b) a tenant impact report has been completed and properly filed prior to the survey; and (c) the conversion is a bona-fide resident conversion. The ordinance defines a bona-fide resident conversion as a conversion where 50% or more of the residents support the conversion.

The survey was completed by the applicant and filed with the County. The survey found that less than the required 50% of residents voted in favor of conversion. The survey results were: 2 residents in favor, 119 residents not in favor, and 2 declining to vote. Thus, pursuant to Section 14.08.070 C.2. and the results of the survey, the conversion is presumed to not be a bona-fide resident conversion. The ordinance further states that this conclusion is a rebuttable presumption and that the subdivider has the burden to demonstrate, through the submission of substantial evidence, that the conversion is a bona-fide resident conversion.

Effects of Conversion

Conversion of the mobile home park to a resident-owned subdivision would exempt the park from local rent control requirements. Low-income tenants who do not choose to purchase their space may continue to rent under State rent control law that would limit their annual rent increases. However, rent control for low-income tenants would be in effect only for as long as those tenants remained at the Park; once low-income tenants leave, there would be no further rent control on those spaces, resulting in a net loss of affordable housing units over time. Furthermore, it appears that if a low-income tenant's income exceeded the limits set by Health and Safety Code Section 50079.5, even temporarily, they would no longer receive the State rent control protection.

Low-income tenants who do not purchase their units will no longer have local rent control/stabilization per County Code Chapter 13.32. After conversion, State Government Code Section 66427.5(f)(2) will allow for an increase in the pre-conversion rent equal to the average monthly rent increase in the 4 years preceding the conversion, not to exceed the average monthly increase in the Consumer Price Index for the most recently reported period. Moderate-income non-purchasing tenants can have their rents raised to market level pursuant to State Government Code Section 66427.5(f)(1), in equal annual increases over a 4-year period.

Other Park Issues

The Planning Commission staff report presented a number of concerns related to the conformity of the Alimur Mobilehome Park to the existing use permits and conditions of approval. The findings presented to the Planning Commission included these concerns as a part of staff's recommendation for denial. However, under further consideration by County Counsel and Planning Department staff, it is now recommended that your Board not make your findings for denial on the basis of these concerns, as the findings for denial based on Chapter 14.08 of the County Code are sufficient on their own merit to support the recommendation for denial. Revised findings for denial that only address Chapter 14.08 are attached to this letter.

Planning Commission Review

On February 25, 2009, the Planning Commission considered the application. In addition to the usual staff report materials, a large number of letters were included in the staff report (Attachment 3). Additional correspondence was received the day of the hearing and is included as Attachment 5. The subdivider's representatives presented their legal reasoning as why the County must approve the conversion and addressed some of the other issues raised in the staff report. Additionally, at the Planning Commission, the applicant's representative offered a number of concessions to tenants with regard to the transition from local rent control. A number of Park residents testified that they didn't support the conversion.

Following extensive testimony and discussion, the Planning Commission voted 5-0 to recommend denial of the application to your Board. This decision was based on findings that the subdivider had failed to overcome the presumption that the conversion was not a bona-fide resident conversion.

Conclusion and Recommendation

As proposed, the project is not consistent with County Code Chapter 14.08 requirements for the conversion of mobilehome parks to resident ownership.

It is therefore RECOMMENDED that your Board take the following actions:

1. Determine that the presumption set forth in County Code Section 14.08.070(c)(2) applies to the proposed project, and that there is insufficient evidence in the record to rebut the presumption;
2. Determine that the findings for approval required by County Code Section 14.08.070 cannot be made in that the proposed mobile home park conversion is not a bona-fide resident conversion;
3. Deny Application Number 07-0310, based on the attached findings (Attachment 2); and
4. Certify that the denial of the proposed project is exempt from further Environmental Review under Title 14 CCR Section 15270 of the California Environmental Quality Act.

Sincerely,



Tom Burns
Planning Director

RECOMMENDED:



SUSAN A. MAURIELLO
County Administrative Officer

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EXHIBIT E

Attachments:

1. Site Plan (Vesting Tentative Map)
2. Findings
3. Planning Commission Staff Report
4. Planning Commission Minutes, 2/25/09
5. Comments and Correspondence not included in Planning Commission Staff Report
6. Letter of Rahn Garcia, Chief Deputy County Counsel, dated April 7, 2009, including the appeal letter of Thomas W. Casparian, dated March 5, 2009.

cc: Paul Joel Goldstone, 6001 Shellmound St. # 825, Emeryville, CA 94608
Sid Goldstien, 650 Alamo Pintado Rd. # 302, Solvang, CA 93463

TB: MD:ad\G:\Board Letters\Pending\April 21



Vesting Tentative Map Findings

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Santa Cruz County Code Section 14.01.614

A vesting tentative map may be conditionally approved or denied if the Board of Supervisors makes any of the following determinations:

2. The condition or denial is required in order to comply with State or Federal laws.

The finding for denial is appropriate, in that State Government Code Section 66427.5 (the section of the Subdivision Map Act that regulates conversions of rental mobilehome parks to ownership parks) includes a stated Legislative intent that its provisions be applied only to bona fide resident conversions (see Stats. 2002, ch.1143, Section 2, p. 3324). County Code Section 14.08.070 seeks to implement Government Code Section 66427.5 in regards to allowing conversions that have bona fide resident support.

The proposed conversion to resident ownership is not consistent with County Code Section 14.08.070, which requires that an application for the conversion of a mobile home park to resident ownership shall only be approved if the decision-maker finds that (a) a survey of resident support has been conducted and properly filed; (b) a tenant impact report has been completed and properly filed; and (c) the conversion is a bona fide resident conversion. The results of the survey completed by the applicant and filed with the County evidenced that far less than the required 50% of residents voted in favor of conversion. The survey results were: 2 residents in favor, 119 residents not in favor, and 2 declining to vote. Thus, pursuant to Section 14.08.070(2), the conversion is presumed to not be a bona-fide resident conversion, and there is no supporting evidence in the record at this time that would override that presumption.

3. The vesting tentative map is for a subdivision whose intended development is inconsistent with the Local Coastal Plan, General Plan, any applicable Specific Plan, the Zoning Ordinance, or any other applicable provision of the County Code in effect at the time any vesting tentative map is acted upon by the Board of Supervisors.

This finding for denial is appropriate, in that the proposed project is not consistent with County Code Section 14.08.070 (see discussion above) that regulates mobilehome conversions.

14.08.070 Findings for Conversion of Mobilehome Park to Resident Ownership

1. A survey of resident support has been conducted and filed.

A resident survey prepared by the applicant was filed with the County on September 8, 2008. The survey results were: 2 residents in favor, 119 residents not in favor, and 2 declining to vote.

2. A tenant impact report has been completed and filed.

A tenant impact report was prepared by the applicant and filed with the County on September 29, 2008.

0357

3. The conversion is a bona fide resident conversion.

Pursuant to Section 14.08.070(2), the conversion is presumed to not be a bona-fide resident conversion. There is insufficient evidence in the record to overcome this presumption.

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Application Number: 07-0310

Agenda Date: February 25, 2009
Agenda Item #: 7
Time: After 9:00 a.m.

EXHIBIT F

Application #: 07-0310
 APN: 030-131-05, -22, -23, -26, -27
 Owner: Paul Goldstone

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Parcel Information

Parcel Size: 12.3 acres total (5 parcels)
 Existing Land Use - Parcel: Mobile Home Residential
 Existing Land Use - Surrounding: Single and multi-family residential, community commercial, professional offices
 Project Access: From Robertson St. off the corner of Robertson and Soquel
 Planning Area: Soquel
 Land Use Designation: R-UH (urban high residential)
 Zone District: RM-3-MH (manufactured home residential)
 Coastal Zone: ☐ Inside ☒ Outside
 Appealable to Calif. Coastal Comm. ☐ Yes ☒ No

Environmental Information

Geologic Hazards: Not mapped/no physical evidence on site
 Soils: N/A
 Fire Hazard: Not a mapped constraint
 Slopes: N/A
 Env. Sen. Habitat: Not mapped/no physical evidence on site
 Grading: No grading proposed
 Tree Removal: No trees proposed to be removed
 Scenic: Not a mapped resource
 Drainage: Existing drainage adequate
 Archeology: Portion mapped; no ground disturbance is proposed

Services Information

Urban/Rural Services Line: ☒ Inside ☐ Outside
 Water Supply: City of Santa Cruz Water
 Sewage Disposal: County Sanitation
 Fire District: Central Fire District
 Drainage District: Zone 5

History

The mobile home park was originally constructed in 1957. In 1966, Permit 2605-U was approved for the expansion of the existing trailer park at the project site from 104 spaces to 146 spaces. In 1966, Permit 774-V was also approved to allow for trailer spaces within 10 feet of the west side setback and rear setback. In 1975, a single-family residence on the project site was converted to 3 apartments under Permit # 75-145-PD. Other permits have been issued through the years for a variety of infrastructure and site improvements, including improvements to individual units.

Project Setting

The project site is near the westerly limits of the Soquel Village area, situated on a knoll that rises steeply above the corner of Soquel Drive and Robertson Street. Site improvements include a park office and clubhouse building, a swimming pool and a laundry/ recreation room building.

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County Code & General Plan Consistency

The subject property is a 12.3-acre multi-parcel lot, located in the RM-3-MH (multi-family residential, 3,000 square feet per unit density, mobilehome park combining District) zone district, a designation that allows mobile home residential parks. The density of the mobile home park is consistent with the site's (R-UH) urban high residential General Plan designation.

Chapter 14.08 of the County Code (entitled "Conversion of Mobilehome Parks to Resident Ownership") implements the requirements of Government Code Section 66427.5, including a stated Legislative intent that its provisions be applied only to bona fide resident conversions (see Stats. 2002, ch.1143, Section 2, p. 3324). The proposed conversion to resident ownership is not consistent with County Code Section 14.08.070 (see Exhibit G) in that a finding necessary for approval cannot be made. Section 14.08.070 requires that an application for the conversion of a mobile home park to resident ownership shall only be approved if the decision-maker finds that (a) a survey of resident support has been conducted and properly filed; (b) a tenant impact report has been completed and properly filed; and (c) the conversion is a bona fide resident conversion. The results of the survey completed by the applicant and filed with the County evidenced that far less than the required 50% of residents voted in favor of conversion. The survey results were: 2 residents in favor, 119 residents not in favor, and 2 declining to vote.

Thus, pursuant to Section 14.08.070(2), the conversion is presumed to not be a bona-fide resident conversion. Following this conclusion, the ordinance states "...The subdivider shall have the burden of demonstrating that the proposed conversion is a bona-fide resident conversion supported by and in the interests of the park's residents, and not a sham transaction for the purpose of avoiding the County's mobilehome rent adjustment ordinance." At this time, there is no supporting evidence in the record to overcome this presumption.

Along with the inconsistency of the project with County Code Section 14.08, which specifically addresses the conversion of mobile home parks to resident ownership, the proposed conversion is also inconsistent with General Plan Housing Element 4.7 goals, policies and objectives that seek to conserve the existing stock of affordable housing in the County.

In addition, the property is currently out of compliance with the number of units approved by permits 2605-U (1966), 3666-U (1970) and 75-145-PD (1975), all of which specify 146, not the existing 147, mobile home units. To be in compliance, the applicant must either remove one unit, or apply for an Amendment to Use Permit 75-145-PD to request approval for an additional unit.

Also, the property is not consistent with General Plan Policy 6.5.5, which requires a secondary access way for any new subdivision in the Urban area where lots are more than 500 feet from a through road. Due to site topography and the constraints of the surrounding off-site development, the only feasible option for the creation of a secondary access into the site may be to improve an existing paved drive that goes up to the site from the west side of Robertson Street approximately 500 feet from the intersection of Robertson and Soquel Drive. Project plans that were approved with Applications 2605-U and 774-V on March 25, 1966 clearly show the secondary access driveway in that location, and thus the current configuration of the site is out of compliance with that approval. This access driveway from Robertson could connect with all other driveways on site, except that

vehicular access is now blocked by a mobile home within the secondary drive at the top of the knoll. The mobile home, shown as lot # 110 on the map exhibit and addressed as # 200 on the project site, would need to be relocated in order to create a useable secondary access in compliance with the previously-approved site plans.

Analysis and Discussion

Conversion of the mobile home park to a resident-owned subdivision would exempt the park from local rent control requirements. Low-income tenants who do not choose to purchase their space may continue to rent under State rent control law that would limit their annual rent increases. However, rent control for low-income tenants would be in effect only for as long as those tenants remained at the Park; once low-income tenants leave, there would be no further rent control on those spaces, resulting in a net loss of affordable housing units over time. Furthermore, it appears that if a low-income tenant's income exceeded the limits set by Health and Safety Code Section 50079.5, even temporarily, they would no longer receive the State rent control protection.

Low-income tenants who do not purchase their units will no longer have local rent control/stabilization per County Code Chapter 13.32. After conversion, State Government Code Section 66427.5(f)(2) will allow for an increase in the pre-conversion rent equal to the average monthly rent increase in the 4 years preceding the conversion, not to exceed the average monthly increase in the Consumer Price Index for the most recently reported period.

Moderate-income non-purchasing tenants can have their rents raised to market level pursuant to State Government Code Section 66427.5(f)(1), in equal annual increases over a 4-year period.

Environmental Review

Because the proposed conversion is being brought forward with a staff recommendation for denial, and no physical development is being proposed at this time, Environmental review of the proposed project per the requirements of the California Environmental Quality Act (CEQA) has resulted in the determination that the proposed project is exempt per CEQA Section 15270: Projects Which Are Disapproved.

Should a decision be made to approve the proposed conversion, additional environmental review would be required, due to the need to fully examine the potential for significant impacts that may result from conversion of Alimur Park from a rental facility to individual-ownership units. An Initial Study would allow for a review and discussion of the possible environmental impacts, and whether the impacts, if any, could be mitigated to less than significant levels.

Possible impacts to evaluate under CEQA may include whether the proposed conversion might displace substantial numbers of people over time and cumulatively necessitate the construction of replacement low-and-moderate-income housing elsewhere. With the increased property values of owner-occupied park spaces, an accelerated schedule of replacement or upgrades to existing units could result in impacts to aesthetics, intensification of demand on public utilities, increased traffic, short-term construction impacts, increased levels of night lighting or potential disturbance of mapped archeological resources, to name some of the possible issues that may require CEQA analysis.

Conclusion

As proposed, the project is not consistent with codes and policies of the County Code and

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EXHIBIT

Application #: 07-0310
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Owner: Paul Goldstone

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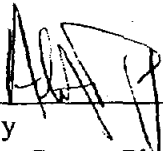
General Plan that are applicable to the conversion of mobilehome parks to resident ownership. Please see Exhibit "B" ("Findings") for a complete listing of findings and evidence related to the above discussion.

Staff Recommendation:

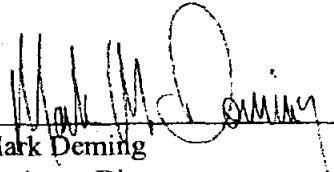
- Determine that the presumption set forth in County Code Section 14.08.070(c)(2) applies to the proposed project, and that there is insufficient evidence in the record to rebut the presumption.
- Determine that the findings for approval required by County Code Section 14.08.070 cannot be made in that the proposed mobile home park conversion is not a bona-fide resident conversion.
- Forward a recommendation to the County Board of Supervisors of **DENIAL** of Application Number 07-0310, based on the attached findings.
- Certification that the proposed project is exempt from further Environmental Review under Title 14 CCR Section 15270 of the California Environmental Quality Act.

Supplementary reports and information referred to in this report are on file and available for viewing at the Santa Cruz County Planning Department, and are hereby made a part of the administrative record for the proposed project.

The County Code and General Plan, as well as hearing agendas and additional information are available online at: www.co.santa-cruz.ca.us

Report Prepared By: 

Alice Daly
Santa Cruz County Planning Department
701 Ocean Street, 4th Floor
Santa Cruz CA 95060
Phone Number: (831) 454-3259
E-mail: alice.daly@co.santa-cruz.ca.us

Report Reviewed By: 

Mark Deming
Assistant Director
Santa Cruz County Planning Department

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EXHIBIT E



Tentative Map Findings
Santa Cruz County Code Section 14.01.403 - Denials

The Board of Supervisors or Planning Commission shall deny approval of a tentative map if it makes any of the following findings:

1. That the proposed map is not consistent with applicable general and specific plans.

This finding for denial is appropriate, in that the proposed project is not consistent with applicable General Plan Housing policies that intend to preserve existing affordable housing in Santa Cruz County, and specifically with the General Plan goals, objectives and policies that address mobile home park preservation. Individually-owned airspace condominiums under the proposed map would no longer be subject to mobile home rent stabilization under local County Code Section 13.32; thus the subdivision of the existing park would not be consistent with sections of the General Plan Housing Element, specifically GP Section 4.7, Goal 3.9, Mobile Home Park Preservation and Affordability, and Housing Element Objective 3.6, which seeks to conserve the existing stock of mobile home housing and provide for rent stabilization protection.

If the proposed project complied with the requirements of Government Code Section 66427.5 and County Code Chapter 14.08, the County would be preempted from making a finding for denial based on the displacement of non-purchasing tenants. However, because the proposed project fails to meet the requirements of Government Code Section 66427.5 and Chapter 14.08 (see applicable findings), this finding for denial can be made.

2. That the design or improvement of the proposed subdivision is not consistent with applicable general and specific plans.

This finding for denial is appropriate, in that the design of the proposed project does not allow for a secondary access to the site and is thus inconsistent with General Plan Policy 6.5.5, which requires a secondary access way for any new subdivision in the Urban area where lots are more than 500 feet from a through road. Existing development on the project site and adjacent to the project site constrains the options for development of secondary access, and the proposed subdivision would need to be re-designed in order to be consistent with this finding.

Project plans that were approved with Applications 2605-U and 774-V on March 25, 1966 clearly show a secondary access driveway, and thus the current configuration of the site is out of compliance with that approval. This secondary access driveway from Robertson could connect with all other driveways on site, except that vehicular access is now blocked by a mobile home at the top of the knoll. The mobile home, shown as lot # 110 on the map exhibit and addressed as # 200 on the project site, would need to be relocated in order to create a useable secondary access in compliance with the previously-approved site plans.

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3. That the site is not physically suitable for the type of development.

A finding for denial is appropriate. While no new site development is being proposed as part of the project, the present site configuration is not compliant with prior approvals with regard to secondary access (see finding # 2 above) and the number of permitted mobile home spaces (see finding # 4 below).

4. That the site is not physically suitable for the proposed density of development.

A finding for denial is appropriate. The density of the mobile home park is consistent with the site's (R-UH) urban high residential General Plan designation. However, the proposed subdivision is not in compliance with use permits 2605-U and 75-145-PD, which authorized 146 mobile home spaces, not the 147 spaces proposed for this project.

In addition, project plans that were approved with Applications 2605-U and 774-V on March 25, 1966 clearly show a secondary access driveway, and thus the current configuration of the site is out of compliance with that approval. This secondary access driveway from Robertson could connect with all other driveways on site, except that vehicular access is now blocked by a mobile home at the top of the knoll. The mobile home, shown as lot # 110 on the map exhibit and addressed as # 200 on the project site, would need to be relocated in order to create a useable secondary access in compliance with the previously-approved site plans.

5. That the design of the subdivision or the proposed improvements is likely to cause substantial environmental damage or substantially and avoidably injure fish or wildlife or their habitat.

No new site development is being proposed as part of the project, and there is thus no evidence at this time that environmental damage or injury to wildlife or habitat would result. However, environmental review would be required prior to consideration of the proposed project for approval.

6. That the design of the subdivision or the type of improvements is likely to cause serious public health or safety problems.

A finding for denial is appropriate, as the 147-unit subdivision is designed to have only one point of access, with many of the units being more than 500 feet from the single point of access/ egress to the site from a public road. As designed, in the event of a fire or other emergency, there is substantial potential for health or safety problems due to the lack of a secondary access to the site; thus, there is basis for denial of the proposed subdivision due to potential public health and safety issues. Existing development on the project site and adjacent to the project site and adjacent to the project site constrains the options for development of secondary access, and the proposed subdivision would need to be re-designed in order to be consistent with this finding.

Project plans that were approved with Applications 2605-U and 774-V on March 25, 1966 clearly show a secondary access driveway, and thus the current configuration of the site is out of compliance with that approval. This secondary access driveway from Robertson could connect with all other

~~EXHIBIT~~ 51

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driveways on site, except that vehicular access is now blocked by a mobile home at the top of the knoll. The mobile home, shown as lot # 110 on the map exhibit and addressed as # 200 on the project site, would need to be relocated in order to create a useable secondary access in compliance with the previously-approved site plans.

7. 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.

No site improvements or new development is proposed, and the design of the subdivision would not conflict with any public access easement.

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Vesting Tentative Map Findings

Santa Cruz County Code Section 14.01.614

A vesting tentative map may be conditionally approved or denied if the Board of Supervisors makes any of the following determinations:

1. A failure to do so would place the residents of the subdivision or the immediate community, or both, in a condition dangerous to their health or safety, or both.

No new development is proposed with the proposed conversion to an airspace condominium ownership park, and thus action on the proposed Vesting Tentative Map would not impact public health or safety. However, a finding for denial is appropriate, as the 147-unit subdivision is designed to have only one point of access, with many of the units being more than 500 feet from the single point of access/ egress to the site from a public road. As designed, in the event of a fire or other emergency, there is substantial potential for health or safety problems due to the lack of a secondary access to the site; thus, there is basis for denial of the proposed Vesting Tentative Map due to potential public health and safety issues. Project plans that were approved with Applications 2605-U and 774-V on March 25, 1966 clearly show a secondary access driveway, and thus the current configuration of the site is out of compliance with that earlier approval.

2. The condition or denial is required in order to comply with State or Federal laws.

The finding for denial is appropriate, in that State Government Code Section 66427.5 (the section of the Subdivision Map Act that regulates conversions of rental mobilehome parks to ownership parks) includes a stated Legislative intent that its provisions be applied only to bona fide resident conversions (see Stats. 2002, ch.1143, Section 2, p. 3324). County Code Section 14.08.070 seeks to implement Government Code Section 66427.5 in regards to allowing conversions that have bona fide resident support.

The proposed conversion to resident ownership is not consistent with County Code Section 14.08.070, which requires that an application for the conversion of a mobile home park to resident ownership shall only be approved if the decision-maker finds that (a) a survey of resident support has been conducted and properly filed; (b) a tenant impact report has been completed and properly filed; and (c) the conversion is a bona fide resident conversion. The results of the survey completed by the applicant and filed with the County evidenced that far less than the required 50% of residents voted in favor of conversion. The survey results were: 2 residents in favor, 119 residents not in favor, and 2 declining to vote. Thus, pursuant to Section 14.08.070(2), the conversion is presumed to not be a bona-fide resident conversion, and there is no supporting evidence in the record at this time that would override that presumption.

3. The vesting tentative map is for a subdivision whose intended development is inconsistent with the Local Coastal Plan, General Plan, any applicable Specific Plan, the Zoning Ordinance, or any other applicable provision of the County Code in effect at the time any vesting tentative map is acted upon by the Board of Supervisors.

This finding for denial is appropriate, in that the proposed project is not consistent with County Code Section 14.08.070 (see discussion above) that regulates mobilehome

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EXHIBIT B

EXHIBIT E

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conversions.

The project is also inconsistent with applicable General Plan Housing policies that intend to preserve existing affordable housing in Santa Cruz County, and specifically with the General Plan goals, objectives and policies that address mobile home park preservation. Individually-owned airspace condominiums under the proposed map would no longer be subject to mobile home rent stabilization under local County Code Section 13.32; thus the subdivision of the existing park would not be consistent with sections of the General Plan Housing Element, specifically GP Section 4.7, Goal 3.9, Mobile Home Park Preservation and Affordability, and Housing Element Objective 3.6, which seeks to conserve the existing stock of mobile home housing and provide for rent stabilization protection.

In addition, the property is not consistent with General Plan Policy 6.5.5, which requires a secondary access way for any new subdivision in the Urban area where lots are more than 500 feet from a through road. Project plans that were approved with Applications 2605-U and 774-V on March 25, 1966 clearly show a secondary access driveway, and the current configuration of the site, as well as the proposed Vesting Tentative Map, is out of compliance with that approval.

14.08.070 Findings for Conversion of Mobilehome Park to Resident Ownership

1. A survey of resident support has been conducted and filed.

A resident survey prepared by the applicant was filed with the County on September 8, 2008. The survey results were: 2 residents in favor, 119 residents not in favor, and 2 declining to vote.

2. A tenant impact report has been completed and filed.

A tenant impact report was prepared by the applicant and filed with the County on September 29, 2008.

3. The conversion is a bona fide resident conversion.

Pursuant to Section 14.08.070(2), the conversion is presumed to not be a bona-fide resident conversion. There is insufficient evidence in the record to overcome this presumption.

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~~EXHIBIT B~~

EXHIBIT F

CALIFORNIA ENVIRONMENTAL QUALITY ACT

NOTICE OF EXEMPTION

0370

The Santa Cruz County Planning Department has reviewed the project described below and has determined that it is exempt from the provisions of CEQA as specified in Sections 15061 - 15332 of CEQA for the reason(s) which have been specified in this document.

Application Number: 07-0310

Assessor Parcel Number: 030-131-05, -22, -23, -26, -27

Project Location: 4300 Soquel Drive

Project Description: Proposal to convert an existing tenant-occupied mobile-home park to an ownership park with 147 spaces

Person or Agency Proposing Project: Sid Goldstien

Contact Phone Number: 805-688-1526

- A. ☐ The proposed activity is not a project under CEQA Guidelines Section 15378.
- B. ☐ The proposed activity is not subject to CEQA as specified under CEQA Guidelines Section 15060 (c).
- C. ☐ **Ministerial Project** involving only the use of fixed standards or objective measurements without personal judgment.
- D. ☐ **Statutory Exemption** other than a Ministerial Project (CEQA Guidelines Section 15260 to 15285).

Specify type:

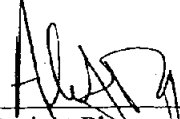
E. ☒ **Categorical Exemption**

Specify type: Section 15270: Projects Which Are Disapproved

F. **Reasons why the project is exempt:**

The proposed project is not consistent with County Code and is recommended for denial.

In addition, none of the conditions described in Section 15300.2 apply to this project.



 Alice Daly, Project Planner

Date: 2/4/09

FOR TAX PURPOSES ONLY

THE ASSESSOR MAKES NO GUARANTEE AS TO MAP ACCURACY NOR ASSUMES ANY LIABILITY FOR OTHER USES. NOT TO BE REPRODUCED. ALL RIGHTS RESERVED.
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Electronically Redrawn 9/5/98 by
Rev. 12/02 mmm (st. name)
Rev. 8/23/95 mmm (per. to pg. 40)

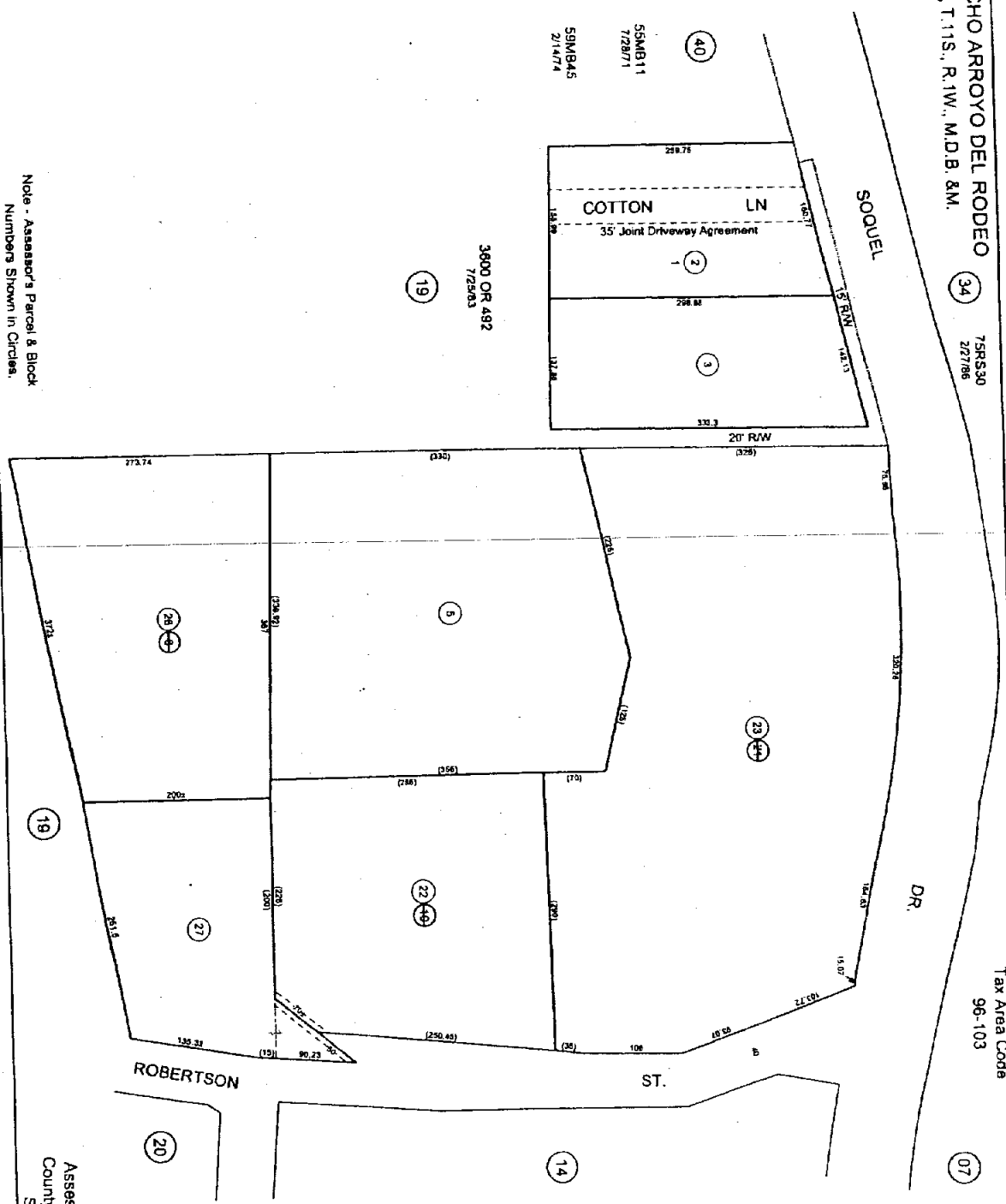
POR. RANCHO ARROYO DEL RODEO
SEC. 10, T. 11S., R. 1W., M.D.B. & M.

75RS30
2/27/86

Tax Area Code
96-103

30-13

Note - Assessor's Parcel & Block
Numbers Shown in Circles.



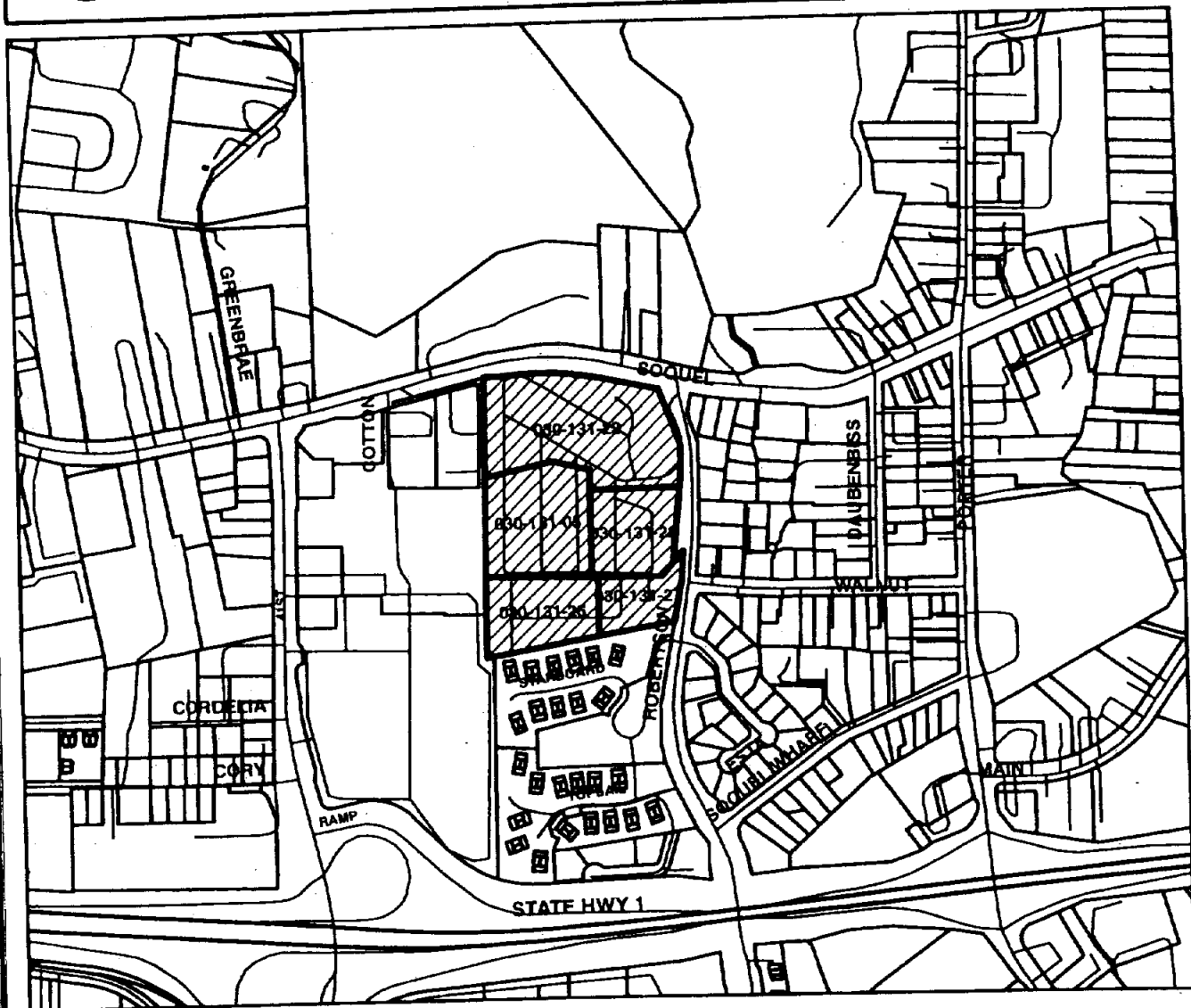
Assessor's Map No. 30-13
County of Santa Cruz, Calif.
September, 1998

EXHIBIT D
EXHIBIT E

0372

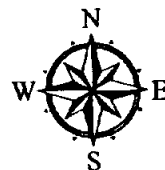


Location Map



LEGEND

- Subject Parcels
- Assessors Parcels
- Streets
- State Highways



Map Created by
County of Santa Cruz
Planning Department
January 2009

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January 26th 2009

Dear Planning Department and Commission,

Re: Application # 07-0310

I own a mobile home and live full time at the Alimur Mobile Home Park in Soquel.

I have lived here over 15 years.

A conversion to Condominium status in this park would be disastrous.

The rent control we depend on would become null and void.

I would like to think the owner of the park Paul Goldstone would not raise the rent.

Would he pass up the golden opportunity with those that cannot afford or do not want to buy the land underneath them?

Please consider the disruption of over 300 residents in the future planning of

Alimur Mobile Home Park
4300 Soquel Drive
Soquel, California

Thank you,

Denise Aldelia Ward
Alimur Mobile Home Park #19



Ms. Denise Ward
4300 Soquel Dr. Spc 19
Soquel, CA 95073

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EXHIBIT E

EXHIBIT E

Alice Daly, AICP
Project Planner, Development Review
County of Santa Cruz Planning Department
tel: 831-454-3259
fax: 831-454-2131

RE: Application 07-0310 Alimur Mobile Home Park Condo Conversion

Currently, mobile home park owners all across the state are ecstatic at the thought of exploiting the current loophole in government code section 66472.5. This loophole allows them to push through "sham" condo conversions, against the wishes of residents and local governments, and reap huge financial windfalls. This financial windfall comes at the expense of thousands of mobile home park residents whom have scrimped and saved to have a chance, however small, at the American Dream of homeownership.

But in the case of Alimur Park, it's personal.

My name's Clay Butler, I'm self employed, and I'm currently the Vice President of the Alimur Park Homeowners Association in Soquel, California.

While financially I'm doing quite well now, it wasn't always that way.

Seven years ago I was a struggling graphic designer and my partner Rosalee was a preschool teacher. To complicate matters I was also recovering from a debilitating work injury and had been on Workman's Comp for the previous 12 months. Needless to say we were a couple of modest means. However, we'd always hoped that we would be able to buy a small condo or town home some day. But as the economy started heating up during the dot com boom, housing costs in the bay area started to double and triple and our hopes were dashed.

Later, at the height of the dot com bubble, our landlord informed us that the rent on our two bedroom apartment was being raised from \$800 a month to \$1,500 a month.

Why? Had their expenses gone up? Were they investing in upgrades? Were the taxes on their property being re-assessed? No, the true answer, as they explained, was that they did a survey and they determined they were simply not charging enough. They explained that they had no choice but to raise the rents to the going market rate. That's right, according to them, they were the victims!

My partner said that if we don't figure something out now, we will be forced out of the area by skyrocketing rents. She aggressively started searching all the mobile home parks in the Santa Cruz area. After much searching she found a 41 year old single wide mobile home with an add-on. A total of 750 square feet. The yard was full of weeds, the carpet was matted like the hair on an old dog, the deck was falling apart and it reeked of cigarette smoke. Even with these defects it was still priced at \$85,000, just at the outer limit of possibility for us, but about \$10,000 less than comparable homes in the park

Since it was an old mobile home there was only one local bank, Bay Federal Credit Union, that would finance the mortgage. But they required 1/3 down and the interest rate was about three points higher than a typical mortgage. So we liquidated our IRA accounts and walked away with \$6,700.00 after penalties. I ask my dad for \$10,000 which he was fortunately in a position to give me. Still needing more, I asked my grandfather for a \$5,000.00 loan. All this just to squeak into a cracker box mobile home that still needed thousands of dollars of improvements just to make it livable.

So here I am eight years later. My partner and I have been together for twenty years now, my business is doing great and we have a beautiful 5 year old daughter. Our combined space rent and mortgage is about \$800 a month and I'm fortunate enough that my income allows my partner to stay at home and be a fulltime mom. It's a cramped yet comfortable existence.

Unfortunately the owner of the park, Paul Goldstone, wants to destroy that. Not content to simply live a life of luxury off property that he inherited from his parent's estate, he's hired the extremely aggressive law firm of Gilchrist and Rutter to bully us into a "sham" condo conversion. The proposed condo conversion would immediately eliminate local rent controls that we've enjoyed for over 25 years, and allow him to raise the rent 25% a year for four years to fair market value. After four years he could charge whenever he wants. The only way to escape this is to buy your lot at an as yet unspecified price or qualify as low income and benefit from California State rent control law. He's refused to give us even an estimate but we know that buyers looking to move in the park are being told by the owner that he expects the lots to sell for \$175,000 to \$225,000 per space. Plus, we would still have home owner dues of around \$200 per month on top of that for the maintenance of the common areas.

This is assuming that you could even afford \$200,000 and that you could find a bank to finance that purchase. The other choice is to simply sell your home and move out of the area. However, this results in an immediate loss of most of your home's equity.

Let's do the math. We paid \$85,000, seven years ago, for a 41 year old mobile home on a 30 amp spot. If a potential buyer had to pay \$200,000 to the park owner for the land itself, how much do you think they would be willing to pay for the 750 square foot mobile home that sits on top of it? The answer is simple. It's zero. Who would even finance the purchase of the home itself? The answer is no one.

EL Dorado Mobile Home Park in Palm Springs was the first park in California to fall under one of these conversions. The result? Five years later, barely 60% of the lots have been sold. Of that 60% only 75% were bought by current residents with the rest going to newcomers and speculators. They are currently 50 spaces that are simply empty. Just barren parcels of concrete slabs and weeds. In a park of 355 lots that's in one in seven left vacant.

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EXHIBIT E EXHIBIT F

This is the sad truth of this type of conversion. The owner will tell you that our home's will increase in value, that buyers will flock to the park for the chance to buy, that banks will eagerly lend is the money to buy our lots and that MPROP financing will make it affordable for all who wish to purchase. Yet El Dorado tells the opposite story.

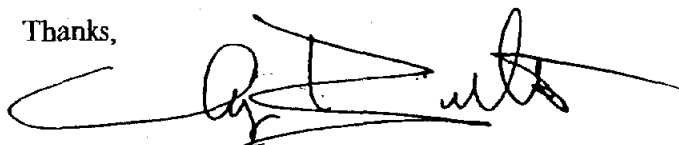
Now of course we would love to purchase our park and own "real" property. In fact we have made several formal offers over the course of five years to do so. Unfortunately the owner, Paul Goldstone, has repeatedly refused our offers. Why? I think his longtime property manager a friend Richard Odenheimer summed it up well when told me personally that the owner's long term goal was to wait until things change, and rent control is abolished, so he can do what he wants. Now, with the help of law firm Gilchrist & Rutter he is trying to do just that under the guise of "helping the residents become landowners".

What nonsense! He's had years to help us become landowners by simply selling us the park at a fair market value. Now that he's found a way to artificially inflate the price of the lot's with a subdivision scheme and overturn rent control as well, he's suddenly become "concerned" that we don't own our lots.

This is not the American Dream I signed up for and this is not the legacy I want to leave my children. This is why I strongly urge you to deny the conversion permit. In our official resident survey of support we voted 119 to 1 to reject the conversion. Out of 147 spaces that is a very good turnout. The only person to vote for the conversion was the park manager.

If you deny the permit you will most likely face a lawsuit from the park owner. This has been the practice for all the parks being represented by Gilchrist and Rutter. I urge you to uphold the resident's wishes and stop this conversion that ultimately threatens the security of thousands of seniors and working families in Santa Cruz County.

Thanks,



Clay Butler -- Resident of Alimur Mobile Home Park
4300 Soquel Dr #66
Soquel, Ca 95073

Phone: 831-477-9029
Email: clay@claybutler.com

Kevin Garcia
4300 Soquel Drive, #34
Soquel, Calif. 95073

Project Planner/ Alice Daly
%Planning Department
701 Ocean St., 4th Floor
Santa Cruz, Calif. 95060
Application #07-0310

Dear Planning Department and Commission:

I am a resident at Alimur Mobile Home Park living their for over 3 years. I am very concerned about what will happen if this Park Conversion is allowed.

I, like many residents here are a low income person and am struggling to find steady work. If this conversion goes through, my living expenses will increase dramatically and I won't be able to stay. And as an owner of an older, single wide coach, selling will gain me nothing with the current real estate market. And I would be lucky if I could even find a buyer.

Please listen to those of us in this park. We need you to understand what a tough position we will be in.

Sincerely,



Kevin Garcia

EXHIBIT **E 51** ~~EXHIBIT F~~

January 2, 2009

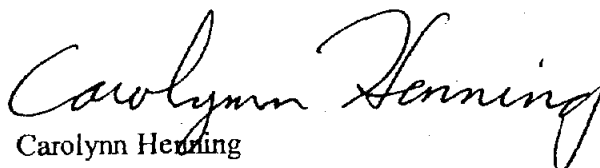
Project Planner / Alice Daly
Planning Dept.
701 Ocean St., 4th Floor
Santa Cruz, CA 95060

Re: Application 307-0310

Dear Planning Dept. and Commission,
My son and I have lived in Alimur Mobile Home Park for nearly ten years and I am terribly worried about the proposed park conversion. I believe this would be the kiss of death for those of us with low, fixed incomes. Everything I own is tied up in my investment in my mobile home. The proposed park conversion puts that all at risk, not to mention the possible lose of an affordable place for my son and I to live. Please do not let this go through. There is little enough in the way of low income housing in Santa Cruz and this conversion would be the start of a process that would not only reduce the availability of low income housing in Santa Cruz, but could also trigger a chain of events that could eliminate this type of low income housing in the entire state. Please do not pass this proposal! It will only benefit the park owners at the expense of the park residents. Thank you for your consideration.

Sincerely,
Carolynn Henning
Alimur Mobile Home Park #18

If you have any Questions, please contact me at 428-2111


Carolynn Henning

0379

January 6, 2009

Planning Department
Project Planner – Alice Daly
701 Ocean Street, 4th Floor
Santa Cruz, CA 95060

RE: APPLICATION # 07-0310

Dear Planning Department,

I live at Alimur Mobile Home Park, and have resided there for 10 years. My family would be devastated if this conversion is approved. The rent control is the only thing that has enabled us to stay in this area.

Please feel free to contact me if you have further questions.

Thank you for your kind consideration.

Sincerely,

Sally Grancich Cole

Sally Grancich Cole
4300 Soquel Dr. #232
Soquel, CA 95073
831-476-5747 Home
831-331-3213 Cell

51

EXHIBIT

F

B

EXHIBIT F

JAN 05 2009

0380

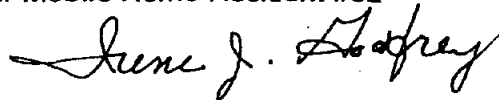
Dear Planning Department and Commission,

I live at Alimur Mobile Home Park. I am 68 years old now and have resided here for over 21 years. When I moved in all those years ago I never thought that someone would come up with a change as devastating to us homeowners as this. For what? More money? There are 142 families that call this our Home! One person can do this? Does not seem right! Please keep us in mind when you make your decision.

Regards,

Irene Godfrey

Alimur Mobile Home Resident #52



51

EXHIBIT ^E ~~W~~

~~EXHIBIT F~~

December 23, 2008

0381

3

Dear Planning Department and Commission:

I live at Alimur Mobile Home Park. I have been a resident for 8 1/2 years. I have been a single mother most of that time. My daughter just recently moved out of my house. When I moved in, I took out a loan that would be paid by the time I was ready to retire. I am now finishing paying that off and have looked forward to being able to retire and live off of Social Security and a small pension. The conversion plan would not allow me to retire. I could not afford to buy the property my mobile home is on and would not be able to afford more than a slight yearly increase (the cost of living increase it is now based upon) and still be able to make it. My plan for the last 8 years would be totally devastated.

I am very concerned about the resale value of my house if I have a financial emergency. If the conversion goes through, I will not be able to sell my house, if need be, without having to include whatever they plan to charge for the land. I am afraid what happened to my mother will happen to me. She lived at De Anza Mobile Home Park and after that park won getting rid of rent control, her house, which she and my father purchased for \$60,000 is now worth nothing. When she had to go into assisted living (she's 90 and bedridden) we tried to sell it but couldn't. We had to walk away from it. My mother is now in a nursing home and the money she counted on (the proceeds from the sale of her house) is non existent. She has nothing and is now a burden on the rest of the family, who have to come up with the difference between social security and her board. I am afraid the same thing will happen to me and my only child will have to accept that burden. For a low income person, I work in an Infant/Toddler Center, that is a very stressful worry.

In the meantime, the park management is difficult to work with, I feel like my future is totally out of control and the stress level just walking around the park is taking a toll on me. I do not support the conversion, which I see as a way someone rich with lots of lawyers but does not live or even come to the park gets richer, while I am barely surviving and just want a way to be able to retire and still live in Santa Cruz near friends and family.

Thank you for your time,

Barbara Gabriel Litsky
Barbara Gabriel Litsky, Unit # 72

EXHIBIT ^E ~~B~~

51

~~EXHIBIT F~~

December 17, 2008

0382

Planning Dept.
701 Ocean Street 4th floor
Santa Cruz, CA 95060
Reg: Application #0310

Dear Planning Dept. and Commission,

I am a resident at Alimur Mobile Home Park in Soquel and have been so for seven years. I didn't choose to live in a mobile home park but life circumstances placed me in the position of being a single mom making it solely on my own income. Mobile Home Parks are the only affordable living options for many people in my situation as well as those on fixed incomes due to age or illness. With the current economy it will only continue to be of greater importance to protect them for what they were designed to be and not alter them to provide excess profit for the landowner at the expense of putting the current residents out of their homes. The Landowner currently makes a profit on his investment in the park but wants more. We would all like more. Should the county approve the conversion, it would show a lack of support for the Santa Cruz community as a whole as well as bad judgment. The county's priority should favor the people who live here, work here, and sacrifice much in order to afford to do so. Keep in mind we already have a housing crisis, but this particular situation was not created by homeowners over extending, it has nothing to do with the residents having any wrong doing at all, nor are we asking for a financial bail out. We just want to continue our lives. This situation is a direct result of the greed of an out of area landowner. From a personal perspective, the cost is far too great. From a business perspective, the cost is far too great. The county cannot afford to put more people on the streets or to provide shelter for those driven from their homes.

I ask for your support.

I ask for your good judgment

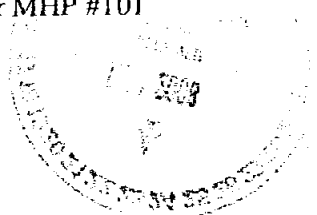
I ask that you preserve affordable living spaces

I ask that you don't contribute to more people becoming homeless

Can Santa Cruz really afford more homeless?

Thank you in advance for your help.

Patti Good
Alimur MHP #101



51

EXHIBIT ^F ~~E~~

~~EXHIBIT F~~

December 20, 2008

Project Planner, Alice Daly
Planning Department
701 Ocean St., 4th Floor
Santa Cruz, CA 95060

Application # 07 0310

Dear Planning Department and Commission,

I live at Alimur Hobile Home Park. I have resided here for 4 years, since Jan. 2003. I will be devastated by this proposed conversion.


It is my understanding that (quoting from our resident web site):

Residents are given a "choice" to buy the land under the home at a price set by the owner or continue renting but without the benefit of rent control. Those who cannot afford to buy will see their rent increase by 20% of the difference between the current rate and the appraised fair market value, per year for the first four years. **After four years the owner can raise rents to any level they desire. Those who qualify as low income will be protected from these increases by state rent control although they will still lose most of their home's equity in the conversion.**

As a senior and low-income, this proposal is unsettling and frightening. When I bought the home for cash in 2003, I had ~~no~~ idea this would ever happen and feel blind-sided.

We are hoping for your assistance,

Sincerely,


Colleen O'Driscoll
Alimur Mobile Home Park #5
Soquel, CA 95073

51

EXHIBIT F

EXHIBIT 13

December 20.2008

Project Planner, Alice Daly
Planning Department
701 Ocean St., 4th Floor
Santa Cruz, CA 95060

Application # 07 0310

Dear Planning Department and Commission,

I live at Alimur Hobile Home Park. I have resided here for more than 20 years. I will be devastated by this proposed conversion.


It is my understanding that (quoting from our resident web site):

Residents are given a "choice" to buy the land under the home at a price set by the owner or continue renting but without the benefit of rent control. Those who cannot afford to buy will see their rent increase by 20% of the difference between the current rate and the appraised fair market value, per year for the first four years. **After four years the owner can raise rents to any level they desire. Those who qualify as low income will be protected from these increases by state rent control although they will still lose most of their home's equity in the conversion.**

As a low-income resident, this proposal is unsettling and frightening. When I purchased my space, I had ~~now~~ idea this would ever happen and feel blind-sided.

We are hoping for your assistance,

Sincerely,


Lisa K. Beek,
Alimur Mobile Home Park #5
Soquel, CA 95073

Pei Qing Huang
Alimur Mobile Home Park
4300 Soquel Dr., #29
Soquel, CA 95073
Tele: 831 332 5528

Project Planner/Alice Daly
Planning Department
701 Ocean St., 4th Floor
Santa Cruz, CA 95060
Tele: 831 454 3259

Sunday, December 21, 2008

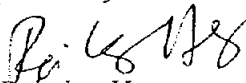
**Re: Conversion of Alimur Mobile Home Park in Soquel
Application # 07-0310**

Dear Planning Department and Commission:

I am the resident of Alimur-Mobile Home Park in Soquel, and I have been living in the park for seven years. As you know, the owner of the park has filed an application to convert the park to an ownership park. If the conversion is approved, my life will be DEVASTATED. I will lose all of my blood and sweat money that I have invested in the mobile home as a result of the removal of the rent control. I am writing to plead you please carefully consider the impact of the conversion on the residents in the park. We will have a broken community with conflict interests.

I really appreciate your attention in this matter. Thank you for your time.

Sincerely


Pei qing Huang

51

EXHIBIT E

EXHIBIT F

12-19-08

PROJECT PLANNER

ALICE DALY

701 OCEAN STREET 4TH FLOOR

831 454 3259

APPLICATION # 07-0310

DEAR PLANNING DEPARTMENT AND COMMISSION.

I LIVE AT ALIMUR MH PARK I HAVE RESIDED HERE -
FOR SIX YEAR.

MY FAMILY WILL BE DESVASTE BY THIS

CONVERSION THANK YOU FOR YOUR TIME

Jesi O'Farrell # 14
ALIMUR MH PARK

51

EXHIBIT E

S

Ms. Nanette Saucier
4300 Soquel Dr Spc 46
Soquel, CA 95073

0387

re: application #07-0310

Dear Planning Department and Commission,

I live at Alimur Mobile Home Park, space #46 and have lived there for 5 years now. I would be financially devastated by such a conversion. Thank you for your time and careful consideration.

Sincerely,

Nanette M. Saucier

Nanette M Saucier



EXHIBIT E

51

Alice Daly/Project Planner
Planning Department
701 Ocean Street, 4th Floor
Santa Cruz, CA 95060

4300 Soquel Drive
Space#235
Soquel, CA 95073
December 16, 2008

Re: Application #07-0310

Dear Ms Daly:

Like the majority of my neighbors in Alimur Park, I am sorely distressed by the owner's application for the so-called "conversion" of Alimur Mobile Home Park where I have lived for the past 22 years, investing money on improvement of my residence and the space on which it sits.

If approved by the county, the conversion would have devastating results for me, my neighbors, and the other mobile home park residents who are also anxiously watching the threat to Santa Cruz County's small bastion of affordable housing and rent control.

What recourse does a retired senior like myself have when faced with health conditions necessitate a major change and I cannot count on any equity to satisfactorily address them, despite years of careful investment in the upkeep of my residence and the space itself.

What happens to families who, despite the owner's carrots and stick approach allowing some to continue renting at the uncontrolled rate agreeable to him, will be captive to the landlord's laissez-faire park maintenance and other whims?

This is indeed a stressful time at national, state and local levels. It is also a time for government at all levels to demonstrate prudence and justice.

Thanks you for your attention to my comments. I look forward to hearing from you.

Sincerely,

Jane McCormick Crowley

Tel#:(831) 475-0774

Jane McCormick Crowley

51

EXHIBIT E

EXHIBIT F

0389

12/15/08

Dear Alice Daly,

It is my concern that local mobile park owners are beginning to take advantage of a loop hole in the law that allows park owners to 'convert' their mobile home parks into ones that are partially rental and partially a 'condominium air space mobile home park'.

If this plan actually went through we would loose rent control. This is not a traditional sale of a mobile home park. The owner remains the owner and controls all the homes that are not bought. The residents of Alimur Park have offered to buy the park in the traditional way but the owner has refused without even looking at an offer.

My concern is that if we let this happen then other parks will go the same way. There are buyers that are backing out of deals in various parks because they are afraid that the park owner may get the same idea to 'convert'. In Alimur Park the sales have come to a stand still because there are no loans available for a park with this cloud hanging over its head. Bay Federal is not lending on homes in this park!! Think about what this could mean to low cost housing. If clients are fearful very few homes will sell.

The telling factor for the conversion is the overwhelming vote by the residents of Alimur Park not to allow conversion! We are well informend amd do not want our park converted! It would be a loss for us and for Santa Cruz County.

Sincerely,

Shelley Patton

Shelley Patton

EXHIBIT E

51

CONFIDENTIAL

My life here in Alimur Park has not been the same: a secure, lovely, 0390
tranquil spot to live. In 2000, I chose Alimur specifically for those reasons,

If the conversion goes through, my life-long plans and dreams of staying
here and owning my own home will be severely impacted and changed. I
could possibly be forced to walk away from the home I love. Please don't
allow this to happen.

Home is where your heart is and mine is here. I do not want the change.

Sincerely,

Nora Lee Dorsa
Nora Lee Dorsa

December 16, 2008
4300 Soquel Dr. #63
Soquel, CA 95073

0391

Alice Daly, Project Planner
Planning Department
701 Ocean Street
Santa Cruz, CA 95060

Dear Ms. Daly,

I am very much against the proposed conversion of Alimur Park by the park owner.

I'm a 56 year old single lady, and since my only brother died of cancer in 2004, I am virtually on my own in this area, except for my widowed sister-in-law and close friends.

Moving to Alimur Park from another county in 2000, I believed my dreams had been answered and my future in my little home was safe and secure. I thought I was here to stay, which may not be true after all.

I resent the fact that someone came along with multitudes of money, such as the park owner, with his only desire to make more money by taking from us "little people," upsetting our small lives, and altering our futures in order to get richer himself.

In addition, I am completely dumbfounded how he continually disregards the ordinance which was passed by the Santa Cruz County Board of Supervisors and proceeds with his plans as if any Board directives or law didn't exist. How can this be allowed?

Again, I am against any sham conversion of Alimur Park for it would alter and ruin so many lives while putting more money in the owner's pocket. Please take all of this in consideration. There must be a place for everyone to be happy.

In appreciation,

Malinda Love

Malinda Love

EXHIBIT 51

EXHIBIT F

December 16, 2011

0392

Dear Planning Department & Commission,

I have lived in Alimur Mobile Home Park for 10 years. I am totally against the Owners plan to annex this park, as are the majority of the residents. Surely you will take this into consideration. Thank you for your time.

Sincere Regards,
Michelle Chaldi
Space # 32
Alimur Mobile Home Park

0393

Application #
07-0310

12/16/08

To Whom It May Concern:

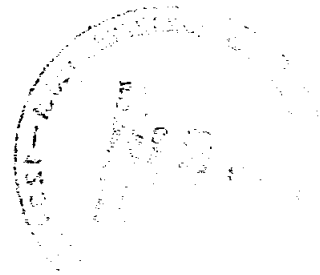
I am writing in regards to the application of the owner of Alimur Park to convert to condo-conversion. This whole application if approved would be extremely detrimental to me. I have lived in Alimur Park for 6yrs. 2yrs ago I put my manufactured home up for sale in Sept. of 06. I was getting multiple looks for possible purchase; which I was going to use the money to buy a small 2 bdr house. Two months after, I put the house up. The owner put his application in for condo-conversion. I have not had any buyers come thru for 2yrs. Nobody is going to buy my home if condo-conversion takes place. I will be stuck with a home I cannot move from or sell. Condo -conversion will break rent control. Why would anyone buy my home with a jacked up rent- when given the current home crisis- they could buy a home-rather than pay the price to move in here. I have been held hostage here for 2yrs. If you approve this application- I'm stuck- I would like to move and buy a home. I ask you to not approve this application.

With Respect,

Thomas M. Burke

Thomas M. Burke

831-476-4568



51

EXHIBIT E

EXHIBIT F

Project Planner / Alice Daly
Planning Department
701 Ocean Street, 4 th Floor
Santa Cruz, CA 95060
831-454-3259
Application # 07-0310

Dear Planning Department and Commission,

I live at Alimur Mh Park. I have resided here for *five* years. My family will be devastated by this conversion.

Thank you for your time.

Teresa Edwards

Alimur MH Park # *237*

If you have any questions, please call me at *1-831-477-0906*

0395

Project Planner/Alice Daly
Planning department
701 Ocean Street, 4th Floor
Santa Cruz, CA 95060

December 15, 2008

Re Application # 07-0310

Dear Planning Department and Commission,

I live at Alimur Mobile Home Park. I have resided here for
nineteen years. I and my family will be devastated, if this conversion
will be allowed to take place.

Thank you for your time and compassion/

Yours truly, *Britta Zetterberg*
Britta Zetterberg

Alimur Mobile Home Park # 91

51

EXHIBIT F

0396

Dec 08

Dear Planning Dept and Commission

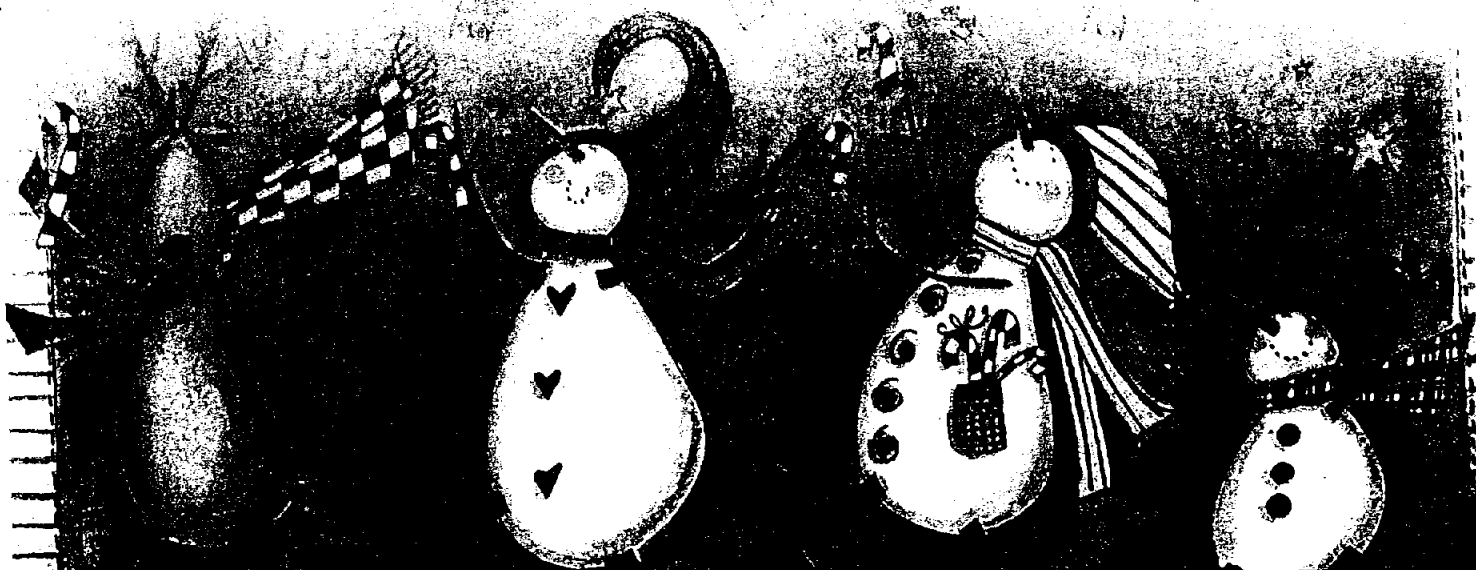
I live in Alimur Mobile Park
and I have lived here for seven
years. My family and I will be
devastated by this conversion.

Thankyou for your time,

Linda Cullen
#67 Alimur Park

EXHIBIT E

57-1017 F



51

Project Planner / Alice Daly
Planning Department
701 Ocean Street, 4th Floor
Santa Cruz, Ca 95060
831.454.3259
Application # 07-0310

0397



Dear Planning Department and Commission,

I live at Alimur Mobile Home Park and have lived here for almost 5 years. I am writing this to let you know that if the conversion is approved I will loose everything. Please do not approve this application.

Thank You

Margo Mac Kinnon

Margo Mac Kinnon
Alimur MH Park #53

51

EXHIBIT E

EXHIBIT F

0398

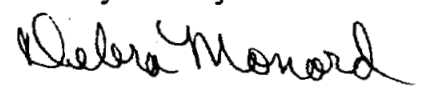
Project Planner / Alice Daly
Planning Dept.

Re: Application # 07-0310

Dear Planning Department and Commission,

I have resided at Alimur Mobile Home Park for 10 years. I would like to let you know that conversion of this park would totally devastate my husband and I. We both have two jobs and in this horrible economic downturn ,each of us has one of those employers' that is struggling to keep their businesses open, which may end up causing one or both of us to lose that job. We are in no condition to be able to get a loan to purchase the mobile home space (not to mention we are both 55 years old), so we only have approximately 10 years more of employment income.

Thank you for your time .



Debra Monard
Alimur Mobile Home Park Space # 78



Margret R. Crane
4300 Soquel Dr. #101A
Soquel, CA. 95073

I have lived in Santa Cruz now for 20 years. During that time I have seen the cost of housing go through the roof. Even though I have a decent paying job I could not afford to purchase a house or condo here. If I hadn't purchased my mobile home in 1996 I don't think I would be able to afford to live here.

I live in a mobile home that is 36 years old. It is my primary residence and I was hoping to retire within a few years. If the conversion happens it is doubtful that I will be able to afford to retire.

My understanding is that mobile homes provide 70% of the affordable housing in Santa Cruz County. Losing rent control would strike a serious blow against persons who can't afford to buy a home here. Even with the current market, the majority of us still can't afford to purchase a home.

The majority of the residents of our park (91%) are against this conversion. I know that because I am the secretary for the Alimur Park Home Owners Association. When the Goldstone attorneys originally presented the conversion idea to us they tried to convince us that it is a good thing. How lucky we will be to be able to own our land! Fortunately we have become adequately educated about what will happen if they are successful and we know that is not true.

These are not our second homes or vacation homes; we live in them year round. There are many residents of our park who are professionals that can't qualify for a home here. We are able to continue living here because there is rent control. We are also what must be designated as a captive audience. It's not as if we can just uproot our place and move it elsewhere if the rent increases beyond our ability to pay.

The owners are greedy. They make a very decent amount of money with the rent we pay. But, they want more! They don't live in mobile home parks; surely they have nice, large expensive homes. Let's see if we can trade places with them temporarily, in order to let them experience what it is like to be unsure of your future and the security of your home.

Please help us to preserve our homes.

Sincerely,
Margret R. Crane

12.10.2008

51

Dear Alice Daily,

I have lived here at Alimur Mobile Home Park for the last 10 years with my family. If the Park Conversion goes through I will lose everything and become homeless. I will not be able to afford Mortgage, Land cost, and fees for use of Alimur Park Streets, Pool, and Community Clubhouse. I beg you "PLEASE DON'T LET THIS HAPPENED" I do not want to become another casualty of our economy.

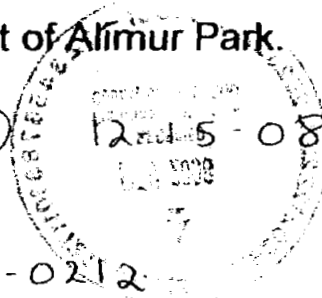
Thank-

You Alice!!!

Sincerely, Jack Trotter resident of Alimur Park.

Jack Trotter
Space # 41

Phone # 831 479 - 0212



Alimur Mobile Home Park Conversion
4300 Soquel Dr. # 41
Soquel, CA 95073

51

EXHIBIT E

EXHIBIT E

December 9, 2008

0401

Ms. Alice Daly, Project Planner
Planning Department
701 Ocean St., 4th floor
Santa Cruz, CA 95060

RE: Application for Conversion #07-0310

Dear Ms. Daly,

I am a resident of the Alimur Park and wish to let you know that I am against the conversion off the park by the owner. The man wishes to destroy our rent control, which may not affect the current residents but is causing a great deal of upset and worry to all of those who live here, especially concerning the value of our homes should we need to sell them. I am a woman of 71 years of age and I moved here to retire and to be near my only son, (who is also out of work now, due to the economy and struggling to survive himself). I have all my life savings invested in my mobile home and have only a small social security income to live on, which does not even cover all the necessities, rapidly eating up the small amount of savings I have left. The fear and worry caused by this threat has required me see my doctor to receive medication for my depression and anxiety, which has begun since this effort was begun on the part of the owner.

Please do not hurt the many senior citizens who live in this park by allowing a conversion to go through...almost all of our community voted against it. It needs to be stopped now, please, for the sake of all the low income people who live here. We need rent control and the security of residing in the homes we have worked so hard to pay for. While I know we will still be protected on rent control (or so I have been told), we know the owner will find other ways of charging more for everything and withholding needed repairs and improvements...we are already feeling the effects of the discrimination against us for trying to block the conversion in many subtle ways.

Thank you for taking the time to read the words of an old lady who is frightened of becoming homeless in the future.

Thank you for your help,

Judy Houston

Mrs. Judy Houston
4300 Soquel Drive, #98
Soquel, CA 95073
831-462-1709

EXHIBIT E 51

~~EXHIBIT F~~

12/16/08 0402

Dear Planning Department and
Commission,

I live here at Alimur Mh
Park. I have resided here
since Jan 2005. I took off
I paid my mother's mortgage
I am totally disabled.
I would be devastated
by this conversion.
Thank you for your time

Sincerely Michele Ann Kemly
Alimur Mh. Park # 42

51

EXHIBIT E

Robert B. Walker
4300 Soquel Drive, #215
Soquel, CA 95073-2150

December 15, 2009

Alice Daly/Proj. Planner
Planning Dept.
701 Ocean Str., 4th Fl.
Santa Cruz, CA 95060

RE: Application #07-0310

Dear Alice Daly:

I have been a resident of Alimur Mobile Home Park since August of 1984, and I write regarding the application of the park owners to convert the park to resident-owned spaces.

On the whole, I am generally neutral on this subject as my income is so low the conversion won't impact negatively my monthly rent unless my income were to have a particular rise. However, I am uncomfortable having to relate to a distant and large bureaucracy in Sacramento on issues of my rent. Each year, we would be required to verify our incomes to qualify for lower rents. The possibility for red tape and error over a matter as life important as one's rent leaves me uneasy at the least.

For many years when I first moved to Alimur, we use to hand deliver our rent payments to the office in the park; then a few years ago, we were required to send them to an out-of-state address which recently got moved for our greater convenience to a San Francisco Bay Area address. Just this example of a dislocation of connectedness created some anxiety that one's rent would be received on time.

I realize we would not be sending our actual rent payments to Sacramento, but there would be the need for paperwork to be transmitted there and back to a large faceless entity which could create some undue concern I would rather be without.

Yours Truly;

Robert B. Walker

Robert B. Walker

51

EXHIBIT E

EXHIBIT F

ANGELA DYSLE

0404

4300 Soquel Drive, Space 212
Soquel,
CA.
95073

Alice Daly/ Project Planner
Planning Department
701 Ocean Street, 4 Th Floor
Santa Cruz, Ca 95060

Re: Application# 07-0310

December 15, 2008

Dear Planning Department and Commission,

I live at Alimur Mobile Home Park. I have resided here for eight years. My family will be devastated by this conversion.

This is not a resident supported conversion.

Thank you for your time.

Angela Dysle

51

EXHIBIT E

EXHIBIT E

0405

PETITION OPPOSING CONVERSION & ENDORSEMENT OF REPRESENTATION

I am a homeowner and resident of Alimur Mobilehome Park (Park). I oppose the Park owner's plans to convert the Park to a resident-owned condominium project. I authorize the efforts of the residents' independent association, the Alimur Park Homeowners Association (Association), to represent my interests on this issue including entering into the agreement with the Park owner, which is required by Government Code §66427.5, for conducting the required written ballot of resident support. The current president of the Association is Mr. Clay Butler, Space #66.

LA PETICIÓN LA CONVERSIÓN CONTRARIA & EL ENDOSO DE REPRESENTACIÓN

Yo soy un propietario y residente de Alimur Mobilehome Parque (Parque). Yo opongo los planes del dueño del Parque para convertir el Parque a un proyecto de condominios poseído por los residentes. Yo autorizo los esfuerzos de la asociación independientes de los residentes, el Alimur Park Homeowners Association (Asociación), para representar mis intereses en este problema esto incluye entrar en un acuerdo con el dueño del Parque, que se requiere por el Código Govermental §66427.5, para conducir la voleta por escrita que se requiere para enseñar el apoyo de los residentes. El presidente actual de la Asociación es Sr. Clay Butler, el Espacio #66.

NO.	PRINTED NAME NOMBRE IMPRIMIDO	SIGNATURE FIRMA	PHONE # EL TELÉFONO	SPACE NO. EL ESPACIO NO.
1.	Jim Norton	Jim Norton		21
2.	Esther Edger	Esther Edger		45
3.	Barbara Guma	Barbara Guma		92
4.	Nita Lomendole	Nita Lomendole		# 100
5.	Judy Houston	Judy Houston		# 98
6.	Eugene Lamm	Eugene Lamm		# 203
7.	ELLY LAMM			
8.	SARA LINNEGAARD	Sara Linnegeard		# 84
9.	DAVID DARGINO	David Dargino		# 224
10.	Claire Chapelle	Claire Chapelle		23A
11.	Pat Martin	Pat Martin		# 28
12.	COLLEEN O'DRISCOLL	Colleen O'Driscoll		# 5
13.	K. Chapman	Kennedy Chapman		3 64
14.	DONNA STAKES	Donna Stakes		33
15.	Robin Evenden	Robin Evenden		43
16.	FRANK FORTINA	Frank Fortina		82
17.	CLAY BUTLER	Clay Butler		85

PETITION OPPOSING CONVERSION & ENDORSEMENT OF REPRESENTATION

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EXHIBIT F

Opposition to Park Owners
Proposal to Convert Park to resident owned
condominium project

NO.	PRINTED NAME NOMBRE IMPRIMIDO	SIGNATURE FIRMA	PHONE EL TELÉFONO	SPACE NO. EL ESPACIO NO.
18.	Neva Lee Davis	Neva Lee Davis		#164
19.	Teremy Bruce	Teremy Bruce		#229
20.	Rachel Nilsson	Rachel Nilsson		#234
21.	Gordynn Henning	Gordynn Henning		#18
22.	Jana Kay Beck	Lisa Beck		#201
23.	Bonnie K. Davis	Bonnie K. Davis		#88
24.	Jane M. Cormick Crowley	Jane M. Cormick Crowley		#235
25.	Jane M. Crowley	Jane M. Crowley		#52
26.	Beverly A. Dutton	Beverly A. Dutton		#226
27.	John Bonnell	John Bonnell		#57
28.	Heather By	Heather By		#68-B
29.	ROD FINNEGAN	ROD FINNEGAN		#84
30.	MARGARET CRANE	Margaret Crane		101A
31.	BEN ARONOWITZ	BEN ARONOWITZ		56
32.	William D. Slie	William D. Slie		212
33.	Debra Monard	Debra Monard		#78
34.	Melissa Hardy	Melissa Hardy		#10
35.	Teresa Edwards	Teresa Edwards		#237
36.	Robert Kutsch	Robert Kutsch		#218
37.	Roger Willenby	Roger Willenby		204
38.	Laura Brinson	Laura Brinson		#86
39.	Michelle Ivakli	Michelle Ivakli		#32
40.	Mary A. Eggulden	Mary A. Eggulden		#76
41.	MARY O'NEILL	MARY O'NEILL		#55
42.	MALINDA LOVE	MALINDA LOVE		#63
43.	Ka			
44.	BRENDA KUTSCH	BRENDA KUTSCH		#218
45.	PATRICIA A. MYATT	PATRICIA A. MYATT		#220

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NO

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EXHIBIT E

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0407

NO.	PRINTED NAME NOMBRE IMPRIMIDO	SIGNATURE FIRMA	PHONE # EL TELÉFONO	SPACE NO. EL ESPACIO NO.
46.	Bernice Cohn	Bernice Cohn		219
47.	Andrew Madden	A. Madden		94
48.	Mickey Jann	Mickey Jann		38
49.	Tina Jelf	Tina Jelf		208
50.	Shelley Patten	Shelley Patten		98
51.	Rose Teixeira	ROSE TEIXEIRA		209
52.	BARBARA GABRIEL LITTON	Barbara Gabriel Litton		72
53.	JUNE PARKER	June Parker		4
54.	Cathy Barthel	Cathy Barthel		50
55.	Severiano Lari	SEVERIANO LARI		H 73
56.	FRANCISCO PONCE	Francisco Ponce		68-A
57.	SYLVIA RHONDS	Sylvia Rhonds		67B
58.	ANN GILLIGAN	Ann Gilligan		210
59.	Ruth Beckel	Ruth Beckel		15
60.	JAN ELLIS JORGENSEN	Jan Ellis Jorgensen		# 20 ✓
61.	COLIS FREEMAN	Colis Freeman		31
62.	Jack Trotter	Jack Trotter		41
63.	Ann Trotter	Ann Trotter		
64.	Dana St. Pierre	Dana St. Pierre		214
65.	Concieve Worrell	Concieve Worrell		95
66.	LAURA RODRIGUEZ	Laura Rodriguez		# 1
67.	Britta Zetterberg	BRITTA ZETTERBERG		B275 # 91
68.	Margo Mac Kinna	Margo Mac Kinna		# 53
69.	Pick Dimeo	Pick Dimeo		# 80
70.	David Regan	David Regan		# 721
71.	Teresa A. Broccoli	Teresa A. Broccoli		# 217
72.	D.H. FEUSS	D.H. Feuss		# 218
73.	Sally Magana	Sally Magana		# 211

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NO.	PRINTED NAME NOMBRE IMPRIMIDO	SIGNATURE FIRMA	PHONE # EL TEL. FON.	SPACE NO. EL ESPACIO NO.
74.		<i>Bernadean Kelly</i>		
75.	Bernadean Kelly	<i>Bernadean Kelly</i>		#225
76.	Lola L. Rogers	<i>Lola L. Rogers</i>		#22
77.	Natalie Davis	<i>Natalie Davis</i>		#37
78.	ELISE T. SMITH	<i>Elise T. Smith</i>		38
79.	Michael Catter	<i>Michael Catter</i>		#94
80.	Will Petersen	<i>Will Petersen</i>		#103
81.	FREDERICK GOLDSTEIN	<i>Fred Goldstein</i>		85
82.	BARBARA JETTER	<i>Barbara Jetter</i>		#17
83.	Betty F. Blake	<i>Betty F. Blake</i>		#47
84.	Cherie Lovett	<i>Cherie Lovett</i>		213
85.	JOSE A. REYES	<i>Jose A. Reyes</i>		#14
86.	William Starsberg	<i>William Starsberg</i>		#23
87.	Dianna Brint	<i>Dianna Brint</i>		#27
88.	John M. Gruber	<i>John M. Gruber</i>		#25
89.	Michele Green	<i>Michele Green</i>		#8
90.	Jack Ryan	<i>Jack Ryan</i>		#6
91.	Linda Winston	<i>Linda Winston</i>		#13
92.	Chris Ballas	<i>Chris Ballas</i>		#2
93.	TAN McANALLY	<i>Tan McAnally</i>		#222
94.	CLAY BUTLER	<i>Clay Butler</i>		#66
95.	JACKIE REED	<i>Jackie Reed</i>		#43
96.	Wilbur W. Hatt	<i>Wilbur W. Hatt</i>		#104
97.	ELISA STEWART	<i>Elisa Stewart</i>		#24
98.	JAN ELLER JORGENSEN	<i>Jan Eller Jorgensen</i>		#10
99.	Kathryn Nation	<i>Kathryn Nation</i>		#11
100.	Barbara Bunday	<i>Barbara Bunday</i>		#87
101.	MARGARET REED	<i>Margaret Reed</i>		TOTAL

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EXHIBIT

EXHIBIT F-10

0409

NO.	PRINTED NAME NOMBRE IMPRIMIDO	SIGNATURE FIRMA	PHONE # EL TELEFONO	SPACE NO. EL ESPACIO NO.
102.	ANNEEN BIRD	Anneen Bird		#702
103.	Jeremy Martin	Jeremy Martin		#7
104.	C. P.	P. PASTOR		#39
105.	Sally G. Cole	Sally G. Cole		#232
106.	ROSE TEIXEIRA	Rose Teixeira		#209
107.	DENISE ALDEIA WARD	Denise Aldeia Ward		#19
108.	Pei Bing Huang	Pei Bing Huang		#29
109.	BLAKE LVA	Blake Lva		#12
110.	Donald Atwell	Donald Atwell		#48
111.	MARILKE F. WIL	Marilke F. Wil		#58
112.	DOROTHY WOOLEY	Dorothy Woolley		#71
113.	Michelle Kenney	Michelle Kenney		#42
114.	Kevin Michael	Kevin Michael		#227
115.	Dan Wakefield	Dan Wakefield		#70
116.	DIANA McBride	Diana McBride		#79
117.	Linda Cullen	Linda Cullen		#67
118.	Carol Melusg	Carol A. Melusg		#40
119.	Patricia Nelson	Patricia Nelson		#26
120.	Cheryl Smith	Cheryl O. Smith		#81
121.	Annette Smith	Annette Smith		#83
122.	Barbara Bromberg	Barbara Bromberg		#89
123.	Julie Galea	Julie Galea		#96
124.	Genevieve Ware	Genevieve Ware		#95
125.	Michael Israel	Michael Israel		#51
126.	Denise Crichton	Denise Crichton		#54
127.	Alvin Taylor	Alvin Taylor		#61
128.	Joseph M. Collins	Joseph M. Collins		#49

Already
Signed

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EXHIBIT F

EXHIBIT E

NO.	PRINTED NAME NOMBRE IMPRIMIDO	SIGNATURE FIRMA	PHONE # EL TELÉFONO	SPACE NO. EL ESPACIO NO.
130.	Nanette Spaucier	Nanette Spaucier		46
131.	Diane Korn	Diane Korn		35
132.	Keri E.	Keri E.		34
133.	Dana Strickland	Dana Strickland		202
134.	Elaine Souperon	Elaine Souperon		236
135.	THOMAS AMTHURS	THOMAS AMTHURS		30
136.	Patti Good	Patti Good		101
137.	Scott M. Burke	Scott M. Burke		233
138.	Thomas M. Burke	Thomas M. Burke		223
139.	Nita Avenell	Nita Avenell		93
140.	Kristine Plant	Kristine Plant		206
141.	Cynthia DelPonte	Cynthia DelPonte		
142.	G. Heblacker	G. Heblacker		77
143.	Elva Grauel	Elva Grauel		97
144.				
145.				
146.				
147.				
148.				
149.				
150.				
151.				
152.				
153.				
154.				
155.				
156.				
157.				

PETITION OPPOSING CONVERSION & ENDORSEMENT OF REP

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EXHIBIT E

EXHIBIT F

0411

22 DECEMBER 2008

From: LOIS A FREEMAN
 LOT #31
 4300 SOQUEL DRIVE
 SOQUEL, CA 95073-2152

To: PROJECT PLANNER / ALICE DAIY
 PLANNING DEPARTMENT
 701 OCEAN AVENUE, SANTA CRUZ, CA 95060

RE: APPLICATION # 07-0310

THIS CONVERSION WOULD RESULT IN DEVASTATING MEDICAL AND FINANCIAL HARDSHIPS FOR ME:
 #31, ALMUR MOJAVE HOME PARK HAS BEEN MY HOME FOR NINETEEN YEARS, I AM PERMANENTLY
 DISABLED SENIOR OF 75 YEARS AGE.
 I EMPLOY YOU TO PREVENT THIS CONVERSION.

THANK YOU FOR YOUR TIME AND ATTENTION TO THIS MATTER.
 ALL BEST WISHES,

Lois A. Freeman
 831/462-1804 (24 hr msg)

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 EXHIBIT E

12-28-08

0412

Dear Alice Daly,

I have lived in Alimur Mobil Home Park for 25 yrs. My husband has lived here for 24 yrs. We own 2 mobile homes in this park.

If this conversion goes through we will stand to loose a great deal on our investments, This will be twice the devastation for us.

Thank you for your time and consideration.

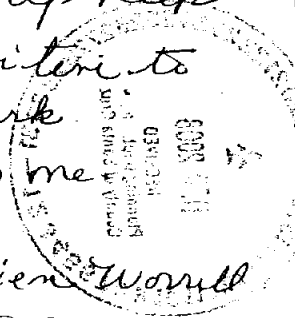
Denra Sankes
Alimur Park # 33

0414

July 17

Attention Alice Daly -
I purchased my place
July 2001. The upkeep
would be Prohibited to
maintain the park
sewer system for me

Genevieve Worrell
Space 95 -



12/16/08

To: Santa Cruz County
Planning Dept

Attention: Alice Daly

Re: Application #07-0310

I am a homeowner &
resident in, Shiner Mobile
Home Park, located at 4300
Saguel Drive, Space # 100

I have lived here since
July 2005 & whole heartedly
object to the proposed Sham
Condo Conversion by
owner Paul Goldstone
because it will devalue
my investment & →

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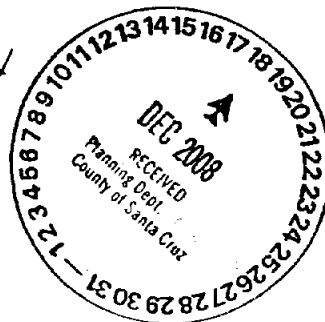
and create financial hardship

As a first time home owner ^{- through the County !!}
I came in to this park
because it was affordable
& offered me the security
I wanted for all my
adult life !!!

Please, don't let this be
taken away.

Kind regards,
Nita Lamendola
100

(h) 831.465.1594



0417

Dec 17-2008



Dear Planning Department
Commission

I (Lore) and (Alimur) MHPark.
we have been here over 12 yrs.
we are on a fixed income as
we are retired. My husband
and I will be devastated
if this conversion and we
would not be able to afford
to live here.

Thank you
Rose Vera Linnegar #84

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0418

Project Planner/Alice Daly
Planning Department
Santa Cruz, CA 95060

Application #07-0310

Dear Planning Department and Commission

We live in Alimur MH Park and are on a fixed income. We hope the yes/no survey results will be honored by the owner and his lawyers as true wishes of the majority of the residents here opposing the proposed Conversion Plan.

We hope the owner will look beyond his vision of a secure financial future for his lifetime and face the present realities that many people here will be hard pressed to ever get an affordable mortgage to pay for their land, plus the fact many are suffering from reduced income due to the present economy. So, please Mr. Goldstone, you who inherited this property which provides reasonable income for you, please give the residents peace of mind regarding their humble homes here. Thank you Planning Dept. and Owner Mr. Goldstone for your consideration of this appeal.

Sincerely,
Mr.&Mrs. Gary Cohn
AlimurMH Park #219

0419

January 1, 2009

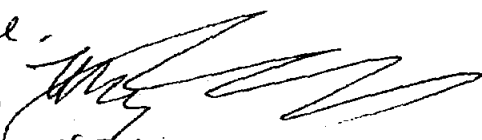
To Whom it may concern,

I am a resident of Alimur Mobile Home Park at 4300 Soquel Drive #55, Soquel, Ca.

Our park owner is currently in the process of converting our mobile home park into a "condominium conversion."

I am against the 'SHAM' conversion as ~~side~~ it will not serve the community of residents in this park. My greatest fear is that I will lose my entire investment as a result of the proposed conversion.

Buying into Alimur Park was my only option for home ownership. Please do not allow this to be taken from me.

Sincerely, 

MARY M. O'NEILL
4300 Soquel Drive #55
Soquel, Ca 95073
831-476-2668

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EXHIBIT F

To: Alice Daly

From: Nita Lamendola
4300 Soquel Dr, #100
Soquel, CA 95073

2-5-09

Re: Alimur Mobile Home Park
Proposed Conversion

.....

I am writing this letter to express my OBJECTION to the proposal for converting Alimur Mobile Home Park from a rental occupied park to condo sub-divided ownership park

As a homeowner with a fixed income and limited resources I could not afford a second mortgage nor handle a space rental increase above and beyond the current guidelines.

The term fair market value seems questionable as well, in relation to purchasing and future rentals of our space

I am unable to buy or support a rent increase of more than what is in place.

Rent control is our saving grace.

Thank you for listening to my concern via written process

I am unable to attend the 2/25/09 meeting as I work and do not get paid for time off

Kind regards,
Nita Lamendola



February 9, 2009


Dear Planning Department and Commission,

I have lived at Alimur Mobile Home Park for about twenty years. I am reaching retirement. This conversion proposed by the owner of the park and his attorneys would be devastating for me and my family. It is causing me a great deal of stress, especially with the current economic state.

My feeling is that this park is older and in need of expensive repairs. I believe the owner is trying to dump this park on to the homeowners to pass those expenses on to the residents. For example, my sewer was clogged with roots and sewage backed up into the bathtubs and overflowed all over. This type of problem will be occurring more and more frequently throughout this park because of the failure on the owner's part to maintain the infrastructure.

Please do not approve this conversion plan.

Sincerely,



Barbara Brundage

Alimur MH Park, #87

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0422

February 9, 2009

Roger Willenborg

Alimur Mobile Home Park

4300 Soquel Dr Space 204

Soquel, Ca 95073

Santa Cruz County Planning Department

Re: Item 7 Application 07-0310 on Wed Feb 25, 2009 hearing

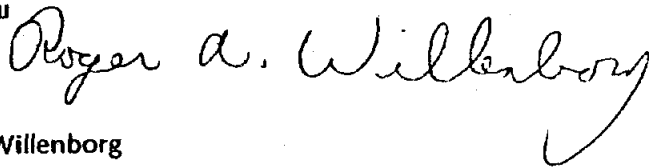
I, Roger Willenborg, and most all the residents of Alimur Mobile Home Park urge you to not approve Mr. Paul Joel Goldstone and Sid Goldstein's application to convert Alimur Mobile Home Park.

The residents of 141 out of 147 mobile homes voted against this proposed conversion scheme. Only two voted for it, the remainder did not vote.

Mr. Goldstone, Sid Goldstein and his lawyers obvious main agenda is to do away with rent control in the park resulting in the elimination of low income housing. They have pursued every avenue to eliminate rent control, low income housing and the persons who so desperately need it.

In closing, I once again urge the planning department to veto Mr. Goldstone and Mr Goldstein's application.

Thank you



Roger A Willenborg

Chapter 14.08
CONVERSION OF MOBILEHOME PARKS TO
RESIDENT OWNERSHIP

14.08.010 Purpose and intent.

The purpose of this chapter is to establish requirements and procedures that are necessary and appropriate to comply with state laws related to the conversion of mobile home parks to resident ownership. The County of Santa Cruz further declares that the purposes of these provisions are also as set forth below:

- (a) To ensure that conversions of mobile home parks to resident ownership are bona fide resident conversions in accordance with state law;
- (b) To balance the need for increased homeownership opportunities with the need to protect existing affordable housing opportunities;
- (c) To ensure that park residents receive appropriate and timely information to assist them in fully understanding their rights and obligations under the statute; and
- (d) To ensure the public health and safety in converted parks. (Ord. 4880 § 1 (part), 8/7/07)

14.08.020 Definitions.

For the purpose of this chapter, the following words, terms and phrases shall be defined as follows:

- (a) "Mobile Home Park Conversion to Resident Ownership" means the conversion of a mobile home park composed of rental spaces to a condominium or common interest development, as described in and/or regulated by Government Code § 66427.5 and/or § 66428.1.
- (b) "Resident" or "Tenant" means the person or persons owning a mobilehome in a space within a mobilehome park pursuant to a rental agreement. (Ord. 4880 § 1 (part), 8/7/07)

14.08.030 Applicability.

The provisions of this chapter shall apply to all conversions of mobile home parks to resident ownership, except those conversions for which mapping requirements have been waived pursuant to Government Code § 66428.1. These provisions do not apply to the conversion of a mobile home park to an alternate use pursuant to Government Code §§ 65863.7 and 66427.4. (Ord. 4880 § 1 (part), 8/7/07)

14.08.040 Information and disclosure requirements for resident survey.

To assist the residents in determining how to respond to the resident survey required by subdivision (d) of Government Code § 66427.5, the following information and disclosures shall be provided by the park owner to each tenant household sufficiently in advance of the survey to allow its consideration:

- (a) A statement describing the effects that the mobilehome park conversion will

EXHIBIT E

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have on the application of the rent control provisions of Chapter 13.32 for both lower income households and for other households who continue residency as tenants. The statement shall specifically describe the effects that the conversion will have on the application of the vacancy control provisions of Chapter 13.32 of this Code, and a statement describing the effects of vacancy decontrol under Government Code § 66427.5 on the resale value of mobilehomes of both lower income households and of other households who continue residency as tenants. Included with this statement shall be a separate statement prepared by the County summarizing the major provisions of the County's mobilehome park rent adjustment Ordinance (Chapter 13.32 of the County Code.)

(b) A statement specifying the income level that is applicable pursuant to subdivision (f)(2) of Government Code § 66427.5, to determine whether households in the mobilehome park qualify as a lower income household or are not a lower income household, and requesting that the households identify whether they are a lower income household, or are not a lower income household.

(c) A statement specifying whether the subdivider will begin the phase-in of market level rents pursuant to subdivision (f)(1) and the rent adjustment provisions of subdivision (f)(2) of Government Code § 66427.5 upon the sale of one lot, upon the sale of more than 50% of the lots, or upon the sale of some other percentage of lots.

(d) A statement specifying the method by which the fair market rent levels authorized by subdivision (f)(1) of Government Code § 66427.5 will be established, or in the alternative, the specification of the range of rent levels that will be applicable to the subdivided units in the mobilehome park, including, but not limited to, the inclusion of any inflation adjustment formula to be utilized.

(e) A statement specifying how space rents will be set for purchasers of mobilehomes owned by lower income households and by other households (who continue residency as tenants under subdivision (f) of Government Code § 66427.5).

(f) A statement specifying the method by which the sales prices of the subdivided units will be established, or in the alternative, the specification of a range of purchase prices that will be applicable to the subdivided units in the mobilehome park, including, but not limited to, the inclusion of any inflation adjustment formula to be utilized.

(g) A statement specifying the method for determining and enforcing the controlled rents for non-purchasing households pursuant to Government Code § 66427.5(f)(2), and, to the extent available, identification of the number of tenant households likely to be subject to these provisions.

(h) Identification of the potential for non-purchasing residents to relocate their homes to other mobile home parks within Santa Cruz County, including the availability of sites and the estimated cost of home relocation.

(i) An engineer's report on the type, size, current condition, adequacy, and remaining useful life of each common facility located within the park, including but not limited to water systems, sanitary sewer, fire protection, storm water, streets, lighting, pools, playgrounds, and community buildings. A pest report shall be included for all common buildings and structures. "Engineer" means a

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registered civil or structural engineer, or a licensed general engineering contractor.

(j) If the useful life of any of the common facilities or infrastructure is less than thirty (30) years, an engineer's estimate of the cost of replacing such facilities over their useful life, and the subdivider's plan to provide funding for same.

(k) An estimate of the annual overhead and operating costs of maintaining the park, its common areas and landscaping, including replacement costs as necessary, over the next thirty (30) years, and the subdivider's plan to provide funding for same.

(l) A maintenance inspection report conducted within the previous twelve (12) calendar months demonstrating compliance with Title 25 of the California Code of Regulations ("Title 25 Report"). Proof of remediation of any Title 25 violations or deficiencies shall be confirmed in writing by the California Department of Housing and Community Development (HCD).

(m) A detailed description of the County and State procedures to be followed for the proposed conversion, including, but not limited to, a tentative timeline.

(n) The phone number and address of an office designated by the County Board of Supervisors that can be contacted for further information relating to the proposed mobilehome park conversion.

(o) The subdivider shall attach a copy of this chapter to each survey form. (Ord. 4880 § 1 (part), 8/7/07)

14.08.050 Information and disclosure requirements for impact report.

The report by the subdivider on the impact of the mobilehome park conversion required by subdivision (b) of Government Code § 66427.5 shall include, but not be limited to, the following disclosures:

(a) That information specified by subsections A through M of § 14.08.040, required to be provided to park tenants for purposes of the resident survey.

(b) A statement specifying the number of mobile home spaces in the park and the rental rate history for each such space over the four years prior to the filing of the application.

(c) A statement specifying the method and timetable for compliance with Government Code § 66427.5(a), and, to the extent available, an estimate of the number of existing tenant households expected to purchase their units within the first four (4) years after conversion including an explanation of how the estimate was derived.

(d) An estimate of the number of residents in the park who are lower income households pursuant to subdivision (f)(2) of Government Code § 66427.5, including an explanation of how the estimate was derived.

(e) An estimate of the number of residents in the park who are seniors (62 years of age or older) or disabled, including an explanation of how the estimate was derived. (Ord. 4880 § 1 (part), 8/7/07)

14.08.060 Application submittal requirements.

The following information shall be submitted as part of the resident survey results with any subdivision application for conversion to a resident owned mobilehome

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park pursuant to Government Code § 66427.5:

- (a) A statement of the total number of spaces occupied by residents (excluding any spaces occupied by the subdivider, a relative of the subdivider, or employee of the subdivider); and the total number of votes of such residents in favor of the conversion and the total number of votes of such residents in opposition to the conversion, with no more than one vote allocated for each mobilehome space.
- (b) The subdivider shall demonstrate that the procedures and timing used to conduct the survey were in accordance with an agreement between the subdivider and an independent resident homeowners association, if any. In the event that more than one resident homeowners association purports to represent residents in the park, the agreement shall be with the resident homeowners association which represent the greatest number of tenant homeowners in the park.
- (c) A written statement signed by the authorized representative(s) of an independent resident homeowners' association verifying that the survey form was approved by the association in accordance with the requirements of subdivision (d)(2) of Government Code § 66427.5.
- (d) A copy of the information and disclosures provided to tenant households pursuant to § 14.08.040.
- (e) A copy of the tenant impact report required pursuant to § 14.08.050.
- (f) A Tentative Subdivision and Final Map or Parcel Map unless waived pursuant to Government Code § 66428.1. A parcel map shall be required for all projects that contain less than five parcels and do not create more condominium units or interests than the number of rental spaces that exist prior to conversion. If additional interests are created or if the project contains more than 5 parcels a Tentative and Final map shall be required. The number of condominium units or interests to be created shall not determine the type of map required unless additional condominium units or interests are created over and above the number of rental spaces that exist prior to conversion. (Ord. 4880 § 1 (part), 8/7/07)

14.08.070 Criteria for approval of conversion application.

An application for the conversion of a mobile home park to resident ownership shall be approved only if the decision maker finds that:

- (a) A survey of resident support has been conducted and the results filed with the County in accordance with the requirements of Government Code § 66427.5 and this Chapter.
- (b) A tenant impact report has been completed and filed with the County in accordance with the requirements of Government Code § 66427.5 and this Chapter.
- (c) The conversion is a bona-fide resident conversion. For purposes of determining whether a proposed conversion is a bona-fide resident conversion, the following presumptions shall be applied based on the results of the survey of resident support conducted accordance with Government Code § 66427.5 and with this Chapter. The presumptions created by this subsection may be overcome through the submission of substantial evidence either at or prior to the hearing.
- (1) Where the survey of resident support shows that 50% or more of the resident

EXHIBIT E

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survey vote supports the conversion to resident ownership, the proposed conversion shall be presumed to be a bona-fide resident conversion. Any interested person opposing the conversion shall have the burden of demonstrating that the proposed conversion is not a bona-fide resident conversion.

(2) Where the survey of resident support shows that less than 50% of the resident survey vote supports the conversion to resident ownership, the proposed conversion shall be presumed to not be a bona-fide resident conversion. The subdivider shall have the burden of demonstrating that the proposed conversion is a bona-fide resident conversion.

(d) Applications meeting the presumption established by subsection (c)(1) of this section shall be processed at Level VI. Applications meeting the presumption established by subsection (c)(2) of this section shall be processed at Level VII. (Ord. 4880 § 1 (part), 8/7/07)

14.08.080 Tenant notification.

The following tenant notifications are required:

(a) If the application for conversion is approved, the subdivider shall give each resident household written notice of its exclusive right to contract for the purchase of the unit of space it occupies at the same or more favorable terms and conditions than those on which such unit of space shall be initially offered to the general public. The right shall run for a period of not less than ninety (90) days from the issuance of the subdivision public report ("white paper") pursuant to California Business and Professions Code § 11018.2, unless the subdivider received prior written notice of the resident's intention not to exercise such right.

(b) If the application for conversion is approved, the subdivider shall give each resident household written notice of its right to continue residency as a tenant in the park as required by Government Code § 66427.5(a). (Ord. 4880 § 1 (part), 8/7/07)

EXHIBIT E

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Planning Commission Minutes

Proceedings of the Santa Cruz County
Planning Commission

Volume 2009, Number 3

February 25, 2009

Location: Board of Supervisors, County Government Center,
701 Ocean Street, Room 525, Santa Cruz, CA 95060

Action Summary Minutes

Voting Key

Commissioners: Kennedy, Chair Aramburu, Vice Chair Dann, Gonzalez, and Shepherd
Alternate Commissioners: Perlin, Holbert, Danna, and Britton

Commissioners present were Perlin, Chair Aramburu, Vice Chair Dann, Gonzalez, and Britton.

Consent Agenda

6. **Approval of minutes**

To approve the minutes of the February 11, 2009 Planning Commission meeting as submitted by the Planning Department.

Approved Minutes. Commissioner Gonzalez made the motion and Commissioner Dann seconded. Voice vote carried 4-0, with ayes from Aramburu, Dann, Gonzalez, and Britton. Commissioner Perlin abstained.

Scheduled Items

7. **07-0310** **4300 Soquel Drive & 2731 Robertson Street, Soquel**
APNs: 030-131-05, -22, -23, -26, & -27
Proposal to convert the existing Alimur Mobile Home Park from a rental occupied park to an airspace condominium subdivision ownership park with 147 spaces. Requires a Vesting Tentative Map (Subdivision). Property located on the west side of Robertson Avenue, at the intersection with Soquel Drive, in Soquel.
Owner: Paul Joel Goldstone
Applicant: Sid Goldstien
Supervisory District: 1
Project Planner: Alice Daly
Email: pln050@co.santa-cruz.ca.us

Approved staff recommendation. Commissioner Dann made the motion and Commissioner Britton seconded. Roll call vote carried 5-0 with ayes from Perlin, Aramburu, Dann, Gonzalez, and Britton.

8. **Public Hearing to consider the 2008 Annual General Plan Report**
Project Planner: Frank Barron, 454-2530
Email: pln782@co.santa-cruz.ca.us

Approved staff recommendation. Commissioner Dann made the motion and Commissioner Britton seconded. Voice vote carried 5-0 with ayes from Perlin, Aramburu, Dann, Gonzalez, and Britton.

9. **Proposed Ordinance Amendment to the Santa Cruz County Code**
Public hearing to consider amendments to the Planned Unit Development (PUD) Ordinance (Santa Cruz County Code Sections 18.10.180-185) that would (1) expand the list of zone districts where a PUD may be considered; (2) revise existing findings and (3) delete duplicative wording. Chapter 18.10 is a Local Coastal Program implementing ordinance.
Applicant: County of Santa Cruz
Supervisory District: Countywide
Project Planner: Don Bussey, 454-3182
Email: pln401@co.santa-cruz.ca.us

Approved staff recommendation. Commissioner Gonzales made the motion and Commissioner Dann seconded. Voice vote carried 5-0 with ayes from Perlin, Aramburu, Dann, Gonzalez, and Britton.

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0430

LAW OFFICES OF
SENIOR CITIZENS LEGAL SERVICES
SERVICIOS LEGALES PARA PERSONAS DE MAYOR EDAD

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March 23, 2009

Cynthia Bunch
4300 Soquel Drive, Space #9
Soquel, CA 95073

Re: Proposed Conversion of Alimur Mobilehome Park

Dear Ms. Bunch:

My name is Terry Hancock and I am an attorney with Senior Citizens Legal Services. I represent the Alimur Homeowners Association (HOA) who are opposing the proposed conversion of the park. I am writing now to confirm whether you still support the proposed conversion.

The reason for my confusion is because of two separate documents that were submitted to the Santa Cruz County Planning Commission (Commission) concerning your opinion.

The first document was a declaration that I believe was prepared for you at the direction of the park owner's attorney, Thomas Casparian, an attorney for Gilchrist and Rutter. A copy of your declaration is attached as Exhibit A. This declaration was submitted into the public record before the Commission hearing by Mr. Casparian. The apparent intent of submitting it was to attack the legitimacy of the resident vote which overwhelmingly opposed the conversion proposal and to imply that the vote totals should be discounted because you and perhaps other residents were intimidated during the balloting process.

My understanding is that you were upset about the way you were contacted by a park neighbor shortly before the resident survey vote but that, in fact, you voted to support the proposed conversion. When I attended the hearing before the Commission on February 25, 2009, however, I became a bit less certain about your position after I was provided with a copy of a more recent letter from you addressed to the Commission. In it, you voiced "your concern about his proposal to convert the park into a resident owned manufactured home park." You also questioned whether, if you chose "to buy, will the mortgage be comparable to what the rent is now?" A copy of your letter is attached as Exhibit B.

The questions you asked in your recent letter are important ones and you should obtain the correct answers. If you need more information about how the conversion will affect you, you can contact me, members of your HOA or the attorneys who represent the park owner, Tom Casparian and Richard Close.

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SCLS is funded by the Seniors Council of Santa Cruz and San Benito Counties, Santa Cruz County, San Benito County, the Cities of Hollister, Santa Cruz, Capitola, Watsonville and Scotts Valley, the California Bar Association, the Santa Cruz County Bar Association and the Community Foundation of San Benito County

Letter to Cynthia Bunch
March 23, 2009 - Page 2


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The next round of review of the conversion proposal will be conducted by the Santa Cruz County Board of Supervisors (BOS). The BOS members should be informed about any of the residents, whether they voted "yes" or "no" initially, who now wish to change their votes. As you probably know, the survey vote resulted in only two residents supporting the conversion. If you still support it, that's fine and I will advise the BOS to that effect. If you have changed your mind, however, please let me know that as well.

I regret that you felt that anyone was trying to improperly influence your vote. The neighbor whom you have accused says that he was simply trying to persuade you, not coerce you, but only you and he are witnesses to what transpired during that conversation. Also, I can tell you that I am unaware of any other actual, similar complaints except the so-far unverifiable claims by Mr. Casparian.

Please let me know where you stand on the conversion proposal or if you need any additional information about how it will affect you. Also, if you know about any other resident who thinks he or she was improperly coerced, please let me know. The HOA Board members and I want to be absolutely sure that everybody voted freely and in accordance with their personal beliefs.

Sincerely yours,



Terrence Lee Hancock
Attorney At Law

cc: Thomas Casparian by email only
Rahn Garcia by email only
HOA by email only

encls

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EXHIBIT E

ATTACHMENT

0432

EXHIBIT A

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EXHIBIT E

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DECLARATION OF CYNTHIA BUNCH

I declare under penalty of perjury that on or about August 22, 2008 I received a Resident Survey in my mail. On the day I received the survey, there was a knock on my door later that afternoon. It was one of my neighbors, a member of the Alimur Homeowners Association ("AHA"), asking if I had received the survey.

I told him yes but I didn't have the chance to open it yet. He said, "Where is it? I'll go over it with you and point out a few things to help you understand it." I went and got the survey, opened it and handed it to him. He flipped the first page or two over saying I didn't need to "worry about this stuff. It's just things that we heard about in previous AHA Meetings about the conversion." He got to the last page and said, "This is where it is important. You sign here," and he pointed to the line, "...to vote against the conversion."

He then asked, "You are with us aren't you? You are going to vote against the conversion?" I wasn't about to start a debate with him and I didn't want to get him angry with me - so I told him "Yeah." He said "OK, here" and handed me a pen and said, "Go ahead and sign it."

I didn't take the pen from him, and that's when he started to get me upset and angry about his bullying. At that point I just looked at him and asked "What are you, the park's police? Making sure that everyone does vote against it. What, you don't trust me? You need to see me sign against?" I told him I would sign it later when I had more time. I had just got home from work- just got out of the shower, and had to get ready to go to work again to my second job. By then I just wanted to get him to leave. He saw that he wasn't getting anywhere with me - that I wasn't going to sign it in front of him to witness. He said, "Ok, but make sure you make a copy of your vote, for your records."

I replied "Why? So you see the copy and how I actually voted?" He then left, obviously not happy with me and disappointed that he wasn't able to bully me into doing what he wanted. And as he walked up the street (away from his house) I wondered who else he was going to try and bully next.

By then, I was more decided than ever to vote for the conversion - but it got me wondering. Was it a confidential vote or was it going to be made open to the public down in some record hall to see who voted which way. If it was to be a matter of public record, I did not want to vote for it then have to deal with the wrath of those who were/are against it. I would have just not voted at all.

The next day I phoned Lori Adam, whom we were to send our vote to and asked her if our vote was confidential or would it be made public. She said she wasn't sure, she was just collecting them and referred me to Gilchrist & Rutter with my question. It was only after I was assured my vote was confidential, and I would not have to fear being retaliated against by members of AHA that I felt comfortable enough to go ahead and vote for what I would like to see come about for the future of Alimur Park.

Signed this 2 day of October, 2008.

Cynthia Bunch
(Signature)

Cynthia Bunch
Name

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EXHIBIT

Additions to the Staff Report for the Planning Commission

Item 7: 07-0310

Late Correspondence

EXHIBIT 5

From: PLN AgendaMail
Sent: Thursday, February 19, 2009 4:09 AM
To: PLN AgendaMail
Subject: Agenda Comments

0435

Meeting Type : Planning Commission

Meeting Date : 2/25/2009

Item Number : 7.00

Name : cathy bartlett

Email : girlquacker@yahoo.com

Address : 4300 Soquel Drive #50
Soquel, CA 95073

Phone : 831-476-9615

Comments :

attn:project planner-Alice Daly
planning Department

plication # 07-0310

ear Planning Department and Commission,
I live at Alimur Mobile Home Park, I have resided
here for almot 20 years. My family will be
devasted by this conversion.

Thank you for your time,

Cathy Bartlett-

Alimur MH Park- #50

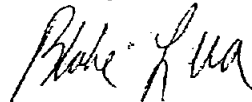
February 12, 2009

Project Planner/Alice Daly
Planning Department
701 Ocean St. 4th Floor
Santa Cruz, CA 95060
Application #07-0310

Dear Ms. Daly,

This letter is in regard to the conversion of the Alimur Park. My name is Blake Lua and I am a 50 year old long-time resident at the Alimur Park (approx 13 years). I find it shocking that the owners are still trying to convert the park into an "Ownership Park". First of all, I have enclosed an article from the newspaper saying that the Supervisors voted 4-0 to preserve this last bastion of affordable housing. I work at the Rio Sands Motel and as we all know, Santa Cruz jobs are not the highest paying. As it is I can barely make ends meet; and with the current economy hurting the motel had layoffs and have cut back hours so that my paycheck is even smaller. The senior citizen neighbor across from me is on a fixed income; and she has been crying because she is so frightened and she has been in the park longer than me. We have a very loyal and nice group of tenants in our small community and none of them can afford this conversion. Also, there was a park vote on who was for and against the conversion and only 2 tenants would like to see the conversion, while everyone one else (50 plus homes) were against it! Please do what you can to deny this application as it would devastate the families who live at Alimur Park. I wish I could be at the hearing regarding this matter, but I will be working at the Rio Sands Motel that morning. I will give my phone numbers in case you ever need to discuss anything; my home phone is (831) 476-4551 and my work number is (831) 688-3207. Thank you for your help in stopping this conversion!

Sincerely,



Blake Lua

SPACE # 12

ALIMUR PARK

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To Whom it may concern

I live in the Alimur Mobile Home Park and will be out of town when the owner of our park is scheduled to appear before your commission. I would like to voice my concern about his proposal to convert the park into a resident-owned manufactured home park. While I think this is a wonderful opportunity to become a land owner in Santa Cruz county - I, like others here, am considered "low-income." - With rent control now in effect, I am confident that I will be able to afford to continue living here in my retirement. In a few short years - with only my social security to live off of - will I still be able to do so if the park is converted?? - If I choose to buy - will the mortgage be comparable to what the rent is now?? - Being low-income - will I even be able to qualify for a loan if I did want to purchase my lot? - If denied a loan - & forced to continue to rent from the owner - will the state's rent

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Control laws protect me as much
the county's that are now in effect?

- It all comes down to a
question of money! Can or will the
owner guarantee that the Low incomers
who are now presently living here in
the park can continue to do so?

If after 10 yrs, living at Alimur
becomes unaffordable for me - is the
county going to help shelter me??

- How long is the wait to
get on section 8 ???

Cyndi Bunch
Alimur resident #9

LAW OFFICES OF

SENIOR CITIZENS LEGAL SERVICES**SERVICIOS LEGALES PARA PERSONAS DE MAYOR EDAD**

0439

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 Fax: 831.637.9767

February 19, 2009

Honorable Albert Aramburu, Chair
 Santa Cruz County Planning Commission
 701 Ocean Street, Suite 400
 Santa Monica, CA 95060

Re: Alimur Mobile Home Park
 Application Number: 07-0310
 Application to Convert Rental Occupied Mobilehome Park to Ownership Park
 Applicant: Sid Goldstien Owner: Paul Goldstone
 Hearing Date: February 25, 2009 at 9:00 am
 Residents' Request for Denial of Application

Dear Mr. Aramburu and Other Members of the Commission:

I represent the residents (Residents) of Alimur Mobile Home Park (Park) in this matter and I have served in this capacity since April 2007. I plan to address the Commission at the hearing next week concerning this application and I expect that many Residents will also wish to do so. We respectfully request that the Commission adopt the Staff Report recommendation as its own and deny the application.

This case breaks new ground in Santa Cruz County. Although similar conversion efforts are underway all over the state, this is the first mobilehome park conversion attempt that has reached this level of review in Santa Cruz County. Similarly, although there have been some superior court decisions about how such conversion applications should be processed, and some decisions are under appeal, there are no binding appellate court opinions that govern the Commission's actions. Thus, the decision hinges on your resolution of some relatively undisputed factual issues and on an analysis of how the applicable state statute and local County ordinances should be applied to those facts.

I am not writing at this time to provide an extensive legal argument but to (1) briefly explain why the Residents agree with the Staff Report and (2) explain why the Resident Survey vote fairly represents the true, unbiased opinion of the overwhelming majority of the Residents.

1. The Staff Report Correctly Applies the Governing Statute and County Ordinances.

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a. Government Code Section 66427.5 Requires Denial of the Application.

The conversion of mobilehome parks from rental parks to resident ownership is governed by Government Code Section 66427.5¹. Section 66427.5 was enacted to provide a procedure for allowing "bona fide" resident-initiated and supported conversions. This case does not qualify.

i. Background of the Loophole that Permitted a Park-Owner-Initiated Conversion.

In the early 1980's, an increasing number of residents started buying their parks to operate them as "resident owned parks" (ROPs). Mobilehome park residents joined together in a cooperative effort to purchase their parks so they could control their living situation. The Commissioners are undoubtedly aware of several ROPs that have cropped up over the years in Santa Cruz County.

Typically, Residents would form a homeowners association or a non-profit organization and then purchase and subdivide their park into "resident ownership," a condominium style of ownership. Initially, Section 66427.4 governed the subdivisions of mobilehome parks, both for conversions to a different use and for conversions to resident ownership. However, park residents who were trying to buy their parks complained that the subdivision process required by this statute was too cumbersome, too lengthy and too expensive.

The Legislature enacted Section 66428.1 specifically to facilitate resident-supported conversions. Section 66428.1 waived certain provisions of the Subdivision Map Act if at least two-thirds of the residents supported the conversion.

Meanwhile, in 1984, the Legislature established the Mobilehome Park Resident Ownership Program ("MPROP") to provide a limited but important source of financing for resident organizations seeking to purchase their parks. To avoid the displacement of non-purchasing residents in converted parks, MPROP set limits on the rental increases that could be charged to residents who decided not to buy in.

In an effort to bring some consistency to the process, the Legislature adopted Section 66427.5, the statute at issue here. This statute established the MPROP protections as the only economic mitigations that could be imposed on any conversion involving MPROP funds. In 1995, the legislature amended Section 66427.5 and expanded the MPROP mitigation measures on economic displacement to other conversions to resident ownership as well. In the 1995 amendments, however, the legislature failed to expressly retain the limit that the Section 66427.5 procedure was to be used only in "resident supported" or "bona fide" resident conversions. This legislative oversight was soon exploited by park owners and is the reason this case is before you.

In 2000, the owner of El Dorado Mobile Country Club, a 377 space mobilehome park in

¹ All statutory references are to the California Government Code unless noted otherwise.

Palm Springs, filed a tentative subdivision map with the City. Using the so-called "loophole," the El Dorado park owner invoked Section 66427.5 to bypass Palm Springs' own subdivision process and the Subdivision Map Act completely. The Park residents strongly opposed this conversion.

Ultimately, the City of Palm Springs imposed conditions to the approval of the park owner's Map to protect park residents from the adverse economic impacts of the conversion and to protect them against a "sham conversion." The park owner sued Palm Springs over the three (3) economic conditions of the City's approval.

In *El Dorado Palm Springs, Ltd. v. City of Palm Springs* (2002) 96 Cal. App. 4th 1153, the Fourth District Court of Appeal dealt with this question for the first time: Was it lawful for a local government to impose conditions to the approval in a resident-opposed conversion that had been initiated by a park owner so that the City could protect the park residents from economic displacement?

The *El Dorado* Court ruled that this owner-initiated, but resident-opposed, conversion was governed by Section 66427.5 and that the three challenged Palm Springs-imposed economic mitigation measures were pre-empted and void. The *El Dorado* Court was, however, sympathetic to the efforts by Palm Springs to prevent a "sham conversion" and expressed concern about the park owner's use of the Section 66427.5 to avoid local rent control. Nevertheless, the Court concluded that Palm Spring was limited in its powers to protect against economic displacement because of the state legislature's oversight – Although it might be desirable for the Legislature to broaden the City's authority to protect park residents, it had not done so even though the conversion was clearly opposed by the park residents.

ii. **Closing the Loophole.** Following the decision in *El Dorado*, the legislature amended Section 66427.5 to provide more protection for park residents when faced with an owner-initiated conversion. Assembly Bill 930, Stats 2002, ch 1143, §1 (AB 930). AB 030 added a new requirement that the park owner obtain a survey of support of residents and that such survey be considered as part of the subdivision map hearing. Section 66427.5(d)(I), (d)(5). In making this change, the Legislature took the opportunity to explain the purpose and intent of AB 930:

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 Palm Springs, Ltd. 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 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.
[Emphasis supplied.]

iii. How Section 66427.5 as Amended by AB 930 Affects this Case. The proposed conversion of Alimur Mobile Home Park is opposed by an overwhelming percentage of the Residents. Of the 123 votes received in the Resident Survey conducted by the Park owner in cooperation with the Residents, 119 opposed the conversion, 2 supported the conversion and 2 declined to state. Since the intent of the statute is to prevent non bona-fide resident conversions, the Commission should deny this application.

iv. Conclusion. This case represents a park owner initiated conversion that has *de minimis* support from any of the Residents. This is not a bona fide conversion and the Planning Commission should deny the application on this basis alone.

b. Santa Cruz County Code Section 14.08 Also Requires Denial of the Application.

The Santa Cruz County Board of Supervisors enacted Chapter 14.08 of the County Code to complement the requirements of Section 66427.5. Chapter 14.08.070 requires that an applicant demonstrate that the conversion is bona fide, i.e., supported by a substantial number of residents:

For purposes of determining whether a proposed conversion is a bona-fide resident conversion, the following presumptions shall be applied based on the results of the survey of resident support conducted accordance with Government Code § 66427.5 and with this Chapter. The presumptions created by this subsection may be overcome through the submission of substantial evidence either at or prior to the hearing.

(1) Where the survey of resident support shows that 50% or more of the resident survey vote supports the conversion to resident ownership, the proposed conversion shall be presumed to be a bona-fide resident conversion. Any interested person opposing the conversion shall have the burden of demonstrating that the proposed conversion is not a bona-fide resident conversion.

(2) Where the survey of resident support shows that less than 50% of the resident survey vote supports the conversion to resident ownership, the proposed conversion shall be presumed to not be a bona-fide resident conversion. The subdivider shall have the burden of demonstrating that the proposed conversion is a bona-fide resident conversion. [Emphasis supplied]

As noted above, the results of the survey indicate that 97% of the resident voters oppose the conversion. The Applicant has not presented any evidence to overcome the presumption that the

Letter to Albert Aramburu
Chair of the Santa Cruz County Planning Commission
February 20, 2009 - Page 5

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proposed conversion is not bona fide. On this basis, the Commission should deny the Application.

c. Approval Would Violate the County's Housing Element. The Staff Report correctly notes that approval of the proposed conversion would also violate the express provisions of the County's General Plan Housing Element. Because the conversion would reduce the existing stock of affordable housing in the County, the Commission should deny the Application on this basis.

2. The Resident Survey Vote Accurately Reflects the Opinions of the Residents.

Section 66427.5 and Chapter 14.08 both require that the Applicant conduct a survey of resident support. As noted above, the results of that vote were massive opposition to the proposed conversion. Based on documents already in the record, I expect the Applicant to argue that the vote tally should be disregarded because of Resident misconduct. The Commission should reject this argument.

After the votes in the resident survey were tallied, the Applicant's attorney alleged that the voting had been tainted by improper tactics by some of the Residents. On October 7, 2008, Mr. Tom Casparian sent me a letter on behalf of the Applicant to complain about these alleged voting irregularities. Exhibit 1. He sent a similar letter addressed directly to the Planning Department and it is already included in the administrative record. In his letter to me, Mr. Casparian, claimed, *inter alia*, as follows:

We are very disappointed in the results of the resident survey...we have been informed that the conduct of the survey was severely and unfairly influenced by the HOA themselves.

We have received detailed information from residents telling us of overt intimidation, misinformation and scare tactics by certain members of the HOA Board in pressuring them to vote against the conversion. It was reported the HOA representatives preyed on the elderly and most vulnerable residents, telling them that they were going to lose their homes and be forced to move if they did not vote against the conversion. Others reported that the HOA went door-to-door, refusing to leave until residents marked the survey against the conversion. Residents have reported that the intimidation used was relentless, and so frightening that they are not even willing to let their names be used for fear of retribution.

The HOA has undermined the accuracy of the survey results by placing undue influence, conveying intimidating and incorrect information, and completely eliminating the efforts made to have the survey be factual and

Letter to Albert Aramburu
Chair of the Santa Cruz County Planning Commission
February 20, 2009 - Page 6

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unbiased as necessary to produce legitimate results. [Emphasis supplied.]

Mr. Casparian contends that the vote was so negative against the proposed conversion because the Alimur residents were either too intimidated to vote against the proposal or too misinformed to understand what a good project it would be for them. He is wrong on both counts...I expect that several Residents will testify at the hearing and categorically deny that neither they nor anyone they know actually intimidated anyone into voting other than how they wanted to vote.

After receiving Mr. Casparian's letter dated October 7, 2009, I sent an email to him to address his concerns. Exhibit 2. I advised Mr. Casparian in relevant part as follows:

Almost all of my clients in my daily practice are senior citizens. A significant portion of my non-mobilehome practice involves claims involving elder abuse, both physical and financial. I would not condone anyone using improper, coercive tactics to force Park residents, senior or otherwise, to vote in any particular fashion. If any Park resident believes that they were subjected to overt intimidation or "blatant misrepresentation" to the extent that they voted contrary to their actual beliefs or inclination, we should discuss and decide how we can remedy the effect of any such tainted ballots.

That said, I do not believe that the allegations of misconduct occurred. I cannot imagine any of the HOA Board members "intimidating" or using "scare tactics" to the extent that they coerced their fellow residents to vote contrary to how they really wanted to vote.

I am troubled that you would send me a letter that contains alarming, but unverified, allegations. Based on my own experience, the claim that all of the residents who contacted you to complain are so frightened that not one of them can reveal their identity seems unlikely. In any event, we both know that our legal system is based on evidence, not innuendo or secret claims. If any resident has a complaint, they need to come forward.

Finally, even assuming for argument that some residents voted contrary to their beliefs, I would still reject your implicit claim that the final vote tally was somehow unrepresentative of an overwhelming majority of the Park residents. I was at several public meetings that many residents attended. Representatives of the Park owner were also present at some of those meetings. I do not recall any meeting where even a single resident expressed support for the conversion proposal. Moreover, over the course of many months while this issue was under discussion, I received many phone calls from residents who are not members of the HOA Board. Not one of those callers ever told me that they supported the

proposal. Not one of those callers ever suggested to me that they were too frightened to express their support for it. As a result, I did not find the near-total lack of resident support for the conversion surprising. [Emphasis supplied.]

Significantly, the Applicant has failed to provide *any* actual evidence that the voting results were tainted in any way. Moreover, even if some individuals actually believed that they were subjected to "intimidation" or "threats" that wrongly influenced their votes, there is no reasonable way to determine if their beliefs are true without a full evidentiary hearing and an opportunity to cross-examine them about the nature of the alleged abuse. In any event, it is hard to imagine that any improper abusive practices, if they exist at all, were so widespread as to distort a vote that was 97% opposed to the proposed conversion.

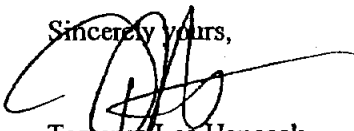
Finally, the Commission should not be misled into believing that the large negative vote reflects the actions of an uninformed electorate.

In order to fully understand how the conversion would work if approved, the Residents extended an invitation to the Park owner and his counsel to attend a park-wide meeting on November 5, 2007. The purpose of the meeting was to give the Park owner an unimpeded, undiluted forum to explain directly to the Residents how the proposed conversion would affect them. Exhibit 3, pages 2-3. The Park owner and his counsel alone controlled the tone and content of the information that they presented. The only request by the Residents prior to that meeting was that the Park owner and his representatives come to the meeting prepared to answer certain detailed questions about the proposed conversion so the Residents would be able to make an informed decision about whether to support it or not when it came time to vote. Exhibit 4.

3. Conclusion. The proposed conversion is not supported by the residents as demonstrated by the overwhelming negative vote. The Residents understand exactly how the conversion would work and how it would affect them. Their vote against the proposal was not the result of intimidation or fear – the Residents simply do not think that it is in their best interests to support the Park owner's plan. The Application does not reflect a bona fide conversion and the Commission should deny it.

Please feel free to contact me if you have any questions about the issues raised in this letter.

Sincerely yours,



Terrence Lee Hancock
Directing Attorney

encls

ATTACHMENT

LAW OFFICES
GILCHRIST & RUTTER
PROFESSIONAL CORPORATION

0446

WILSHIRE PALISADES BUILDING
1299 OCEAN AVENUE, SUITE 900
SANTA MONICA, CALIFORNIA 90401-1000

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

October 7, 2008

Terrence Lee Hancock
Directing Attorney
Senior Citizens Legal Services
501 Soquel Avenue, Suite F
Santa Cruz, CA 95062

Re: Conversion of Alimur Mobile Home Park

Dear Terry:

We are very disappointed in the results of the resident survey. After months of delays and compromise with the homeowners' association ("HOA"), which the HOA contended was necessary to eliminate any misleading information or undue influence by the park owner, to conduct the resident survey, we have been informed that the conduct of the survey was severely and unfairly influenced by the HOA themselves.

We have received detailed information from residents telling us of overt intimidation, misinformation and scare tactics by certain members of the HOA Board in pressuring them to vote against the conversion. It was reported the HOA representatives preyed on the elderly and most vulnerable residents, telling them that they were going to lose their homes and be forced to move if they did not vote against the conversion. Others reported that the HOA went door-to-door, refusing to leave until residents marked the survey against the conversion. Residents have reported that the intimidation used was relentless, and so frightening that they are not even willing to let their names be used for fear of retribution.

The HOA had made numerous demands upon us in what they claimed was an attempt to remove any misleading or inaccurate representation of the resident support, and in good faith we agreed to every single request with regard to the content and conduct of the survey. We also acquiesced to every demand made to meet the HOA's desire for confidentiality.

Now we have learned that residents were being asked to complete the survey in the witness of HOA members, while being told by the HOA that they would be evicted or that they would lose all their investment in their homes if they did not sign against it. This type of intimidation, blatant misrepresentation, and breach of confidentiality is a violation of the Agreement regarding the conduct of the survey.

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PAGE 1 OF 2

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0447

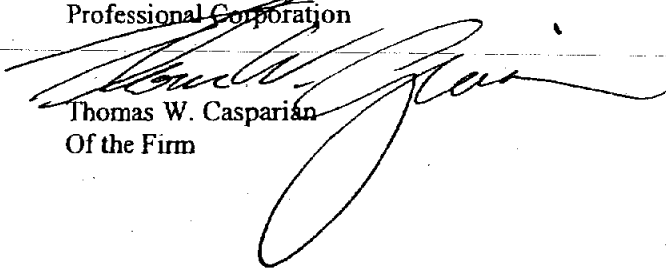
Terrence Lee Hancock
Directing Attorney
Senior Citizens Legal Services
October 7, 2008
Page 2

The HOA has undermined the accuracy of the survey results by placing undue influence, conveying intimidating and incorrect information, and completely eliminating the efforts made to have the survey be factual and unbiased as necessary to produce legitimate results.

These survey results reflect the bad faith and abuse of power used by the HOA representatives to attain their personal agendas.

Sincerely,

GILCHRIST & RUTTER
Professional Corporation


Thomas W. Casparian
Of the Firm

sf:sf163965_2.DOC/100708
4653.001

cc: Rahn Garcia, Esq., County Counsel
Richard H. Close, Esq.

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EXHIBIT E

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0448

Terry Hancock

From: Terry Hancock [terryhancock@seniorlegal.org]
Sent: Saturday, October 11, 2008 7:07 PM
To: 'Thomas Casparian'
Cc: 'Rahn Garcia'; 'Terry Hancock'
Subject: Alimur, Allegations of Voter Intimidation
Attachments: LetterFromCasparianReAllegations.Dated10-7-08.pdf

Hello Tom,

I received your letter dated October 7, 2008 and I am attaching a copy for reference purposes.

I have not had an opportunity to discuss your letter with the Homeowners Association (HOA). After I do that, I will send you a more formal response. Meanwhile, I have a few preliminary comments.

Almost all of my clients in my daily practice are senior citizens. A significant portion of my non-mobilehome practice involves claims involving elder abuse, both physical and financial. I would not condone anyone using improper, coercive tactics to force Park residents, senior or otherwise, to vote in any particular fashion. If any Park resident believes that they were subjected to "overt intimidation" or "blatant misrepresentation" to the extent that they voted contrary to their actual beliefs or inclination, we should discuss and decide how we can remedy the effect of any such tainted ballots.

That said, I do not believe that the allegations of misconduct occurred. I cannot imagine any of the HOA Board members "intimidating" or using "scare tactics" to the extent that they coerced their fellow residents to vote contrary to how they really wanted to vote.

I am troubled that you would send me a letter that contains alarming, but unverified, allegations. Based on my own experience, the claim that all of the residents who contacted you to complain are so frightened that not one of them can reveal their identity seems unlikely. In any event, we both know that our legal system is based on evidence, not innuendo or secret claims. If any resident has a complaint, they need to come forward.

Finally, even assuming for argument that some residents voted contrary to their beliefs, I would still reject your implicit claim that the final vote tally was somehow unrepresentative of an overwhelming majority of the Park residents. I was at several public meetings that many residents attended. Representatives of the Park owner were also present at some of those meetings. I do not recall any meeting where even a single resident expressed support for the conversion proposal. Moreover, over the course of many months while this issue was under discussion, I received many phone calls from residents who are not members of the HOA Board. Not one of those callers ever told me that they supported the proposal. Not one of those callers ever suggested to me that they were too frightened to express their support for it. As a result, I did not find the near-total lack of resident support for the conversion surprising.

Terry Hancock

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LAW OFFICES OF
SENIOR CITIZENS LEGAL SERVICES
SERVICIOS LEGALES PARA PERSONAS DE MAYOR EDAD

0449

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 Fax: 831.728.4802

Hollister Office
 300 West Street
 Hollister, CA 95023
 Ph: 831.637.5458
 Fax: 831.637.9767

October 24, 2007

By mail and email to: tcasparian@gilchristutter.com

Tom Casparian
 Gilchrist & Rutter
 1299 Ocean Avenue, Suite 900
 Santa Monica, CA 90401

Re: Proposed Conversion of Alimur Mobile Home Park
 Written Ballot Survey Draft
 Voting Procedure
 Park Meeting on Monday November 5, 2007

Dear Mr. Casparian:

I am writing to respond to your letter dated October 2, 2007.

1. **Revised Draft of Resident Survey Form.** Your October 2nd letter included a revised draft of the resident survey form. I reviewed it carefully with my clients and prepared a revised draft which is attached with this letter.

The enclosed draft adopts many of the suggested revisions from your most recent draft including the two legal statements that your client wants printed at the bottom of each page. However, I removed certain phrases that were in your draft. I also re-inserted other text that you had deleted from my previous drafts. I think these changes are necessary to ensure that the survey adequately explains the effect of the voting process.

For example, I again deleted the sentence that states that residents "can support the change of ownership to a resident-owned condominium park without a personal desire to purchase" their lot. My clients and I continue to find this language confusing; it implies that residents should vote to approve the proposed conversion simply because they would like to see the park become a condominium park regardless of the actual conditions that would attach to your clients' proposal. Moreover, the first sentence of the second paragraph already states that each resident space is entitled to one vote so this second restatement of the same entitlement is redundant.

I reinserted the text from my earlier draft that advised residents that the space rents would no longer be governed by the Santa Cruz County Municipal Code §13.32, the County's mobilehome rent control ordinance. There is no dispute that this will be one of the effects of the conversion. The Residents' rents have been governed by this ordinance since 1982 so it is important that they

EXHIBIT 3
 PAGE 1 OF 3

SCLS is funded by the Seniors Council of Santa Cruz and San Benito Counties, Santa Cruz County, San Benito County, the Cities of Hollister, Santa Cruz, Capitola, Watsonville and Scotts Valley, the California Bar Association, the Santa Cruz County Bar Association and the United Way of San Benito County

understand that will no longer be the case if the park is converted.

I also deleted that portion of your draft that mentioned Santa Cruz County Ordinance No. 4880 and an "attached...Draft Tenant Impact Report ('TIR')." I do not think it is appropriate that the Survey refer to an ordinance that has its own separate requirements and to a "TIR" that the Residents have not had an opportunity to review or approve.

The Residents and the Park Owner are required by the statute to try to agree on the terms of a "survey of support," nothing more. Moreover, I am concerned that the purpose of inserting this language may represent an effort to try to comply, by means of the survey itself, with the separate obligations imposed by the new County ordinance. This language is not acceptable. Also, please note that the Residents will not agree to any proposal to distribute other documents with the Survey, or contemporaneous with the Survey, unless the Residents have previously agreed to the text of such documents. If this happens, the vote will be meaningless and subject to formal challenge.

2. Voting Procedure.

a. Tabulating Votes. The Residents would agree to have an independent CPA office tabulate the votes.

b. Retention of Votes. The Residents want the votes to be retained and secured for the duration of the application process in the event that there is any question about the voting results.

c. Examination of Votes. Both counsel should be permitted to review the ballots themselves after the voting has taken place provided guarantees are in place to prohibit the disclosure of individual votes without the voter's permission or a court order.

3. Invitation to the Resident Meeting. This will confirm your invitation to attend their next park-wide Resident meeting at 7:00 p.m. on Monday, November 5, 2007, at the Park clubhouse. Unfortunately, the Residents cannot accommodate your request to move the meeting to a different date. This is a regularly scheduled meeting and moving it might reduce attendance.

I believe that we have agreed on the following procedures for the meeting:

a. Park Owner Presence. You have agreed to invite the owners to attend as the Residents would appreciate their presence.

b. Park Owner Presentation Time. The presentation by the Park Owner and/or by his representatives will be 30 minutes with another 30 minutes set aside for questions by the Residents.

c. Written Questions by Residents. To ensure civility and to avoid repetitive questions, the Residents will use pre-selected written questions during the "question time" that will be read

EXHIBIT 3
PAGE 2 OF 3

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by one person chosen by the Residents. The Residents will provide you with their proposed written questions by October 29, 2007 and you will provide the questions you would like to be asked on that same date to me. The Residents will make the final decision on which questions will actually be used and those will be provided to you in advance. No other questions will be used.

d. **Video Recording.** You have agreed that the Residents may record the meeting for those who are unable to attend.

e. **Moderator.** The Residents will have one of their Board members serve as the moderator at this meeting. I will not have any formal role.

Please let me know who will be coming as soon as possible. The Residents would like to provide ample advance notice to get a good turnout. Also, please let me know if you agree to use the attached survey form.

Sincerely yours,


Terrence Lee Hancock
Directing Attorney
terryhancock@seniorlegal.org

cc: Clients
Rahn Garcia, Office of the County Counsel

S:\D:\City Clients\Litigation & Admin Hearings\Legal Assist\Housing\Mobilehome\SCourry\Rent C-Admin\Alvarez-Conversion\Casparian\04.LtrReSurvey&ParkMtg.wpd

EXHIBIT

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LAW OFFICES OF

SENIOR CITIZENS LEGAL SERVICES
SERVICIOS LEGALES PARA PERSONAS DE MAYOR EDADWebsite: www.seniorlegal.org E-mail: terryhancock@seniorlegal.org**Santa Cruz Main Office**
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Watsonville, CA 95077
Ph: 831.728.4711
Fax: 831.728.4802**Hollister Office**
300 West Street
Hollister, CA 95023
Ph: 831.637.5458
Fax: 831.637.9767

October 30, 2007

By email only to: tcasparian@gilchristutter.comTom Casparian
Gilerist & Rutter
1299 Ocean Avenue, Suite 900
Santa Monica, CA 90401Re: Proposed Conversion of Alimur Mobile Home Park
Meeting on Monday November 5, 2007
Residents' Draft Questions

Dear Mr. Casparian:

I am writing to provide you with the draft resident questions for the meeting at Alimur Mobilehome Park (Park) on November 5, 2007:

1. If more than 50% of the Park residents (Residents) do not vote to support the proposed conversion when they return the survey that is required by statute (Survey), does the Park Owner (Owner) still intend to proceed to try to convert the Park?
2. If more than 60% of the Park Residents do not vote to support the proposed conversion when they return the Survey, does the Owner still intend to proceed to try to convert the Park?
3. If more than 70% of the Park Residents do not vote to support the proposed conversion when they return the Survey, does the Owner still intend to proceed to try to convert the Park?
4. If the answers to the three preceding questions is that the Owner would still proceed to try to convert the Park even when a large percentage of the Residents do not support the proposed conversion, is there any percentage of Residents who vote to oppose the proposed conversion that would persuade the Owner to discontinue his present plan to convert the Park?
5. If the Park does not prevail in its lawsuit against the County of Santa Cruz and fewer than

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50% of the Residents support the proposed conversion in the Survey, does the Park Owner still intend to proceed with the proposed conversion?

6. Assuming that the conversion is approved and the Owner initiates the sale of Park lots/spaces, can you tell us your best estimate of the pricing range of the lots/spaces that will be offered for sale.
7. Assuming that the conversion is approved and the Owner initiates the sale of Park lots/spaces but some Residents don't buy their lots/spaces, can you tell the Residents what their lots/spaces will cost potential buyers when those same Resident decide to sell their mobilehomes? Is there anything to prevent the lot/space price from being so high that the Resident will lose all or some of their equity in their homes?
8. Assuming that the conversion is approved and the Owner initiates the sale of Park lots/spaces, can you provide us with the names, phone numbers and addresses (including individual contact names) of the lending institutions that you believe will make loans to Residents of spaces where the household is "lower income" (as defined by statute) to purchase their lots.
9. Assuming that the conversion is approved and the Owner initiates the sale of Park lots/spaces, can you provide us with the names, phone numbers and addresses (including individual contact names) of the lending institutions that you believe will make loans to Residents of spaces where the household is "not lower income" (as defined by statute) to purchase their lots.
10. Assuming that the conversion is approved and the Owner initiates the sale of Park lots/spaces, can you tell us what if there are any financial institutions or government agencies that have formally, or informally, committed to assisting the Residents in purchasing their lots/spaces (whether lower income household or not) and, if so, what amounts and/or percentage of the sale prices will be offered to the Residents to finance the purchase?
11. Five years ago, the Park Homeowners Association made a formal offer to buy the Park and those offers have been repeated again since then. Why won't the Owner, Mr. Paul Goldstone, just sell the whole Park to the Residents the way it is usually done and has been done in several other parks in Santa Cruz County? Why is it necessary or in the Residents' better interest to support the conversion process to sell the lots/spaces?
12. Assuming that the conversion is approved, is the Owner willing to sign an agreement guaranteeing that any Residents who don't buy their lot/space can continue to have their rents controlled by the Santa Cruz County rent control ordinance indefinitely if they are a lower income household? What is the answer if the Residents are not a lower income

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PAGE 2 OF 4

household?

13. Assuming that the conversion is approved, is the Owner willing to sign an agreement guaranteeing that any Residents who don't buy their lot/space can continue to have their rents controlled according to the state statute indefinitely if they are not a lower income household?
14. Assuming that the conversion is approved, is the Owner legally entitled to raise the rent to any level for Residents who don't buy their lot/space and who are non-lower-income households after four (4) years?
15. We have heard that the Owner is prepared to offer "incentives" to persuade the Residents to support the proposed conversion. Precisely what "incentives" will be offered? Will they be in writing? When will they be offered? Is the Owner willing to agree to increase the electrical amperage available in the Park as an incentive?
16. Assuming that the conversion is approved, and some Residents buy lots/spaces, what are the other non-purchase expenses and expenses that those purchasing Residents are going to incur?
17. Assuming that the conversion is approved, is the Owner willing to offer Owner-financing to enable Residents to purchase their lot/space?
18. The Residents have heard that in some parks where conversions have been permitted, those residents who have not purchased their lot/space have not been able to sell their mobilehomes at or above the price that they originally paid for them and that, instead, they had to sell them at a loss. The Alimur Residents are concerned that the same might happen to them here if the conversion is approved and they don't purchase their lot/space, that they will not be able to sell their mobilehomes for what they paid for them or even what they still owe on them.

Will the Owner agree to purchase their mobilehomes at the pre- conversion market value if the Residents want to sell their mobilehomes? If the Owner won't agree to buy them on that basis, will the Owner agree to make up the difference between what the Residents can obtain in selling their homes and the pre-conversion market value?
19. If the proposed conversion is a good deal for the Residents, will the Owner guarantee that the Residents that they will be able to sell their mobilehomes at the pre-conversion market value or at least what they paid for their homes after the conversion occurs?
20. Is it true that approximately half of the lots/spaces in El Dorado Mobilehome Park in Palm Springs, which was converted on the same basis as the Owner is proposing at Alimur, are

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Letter to Tom Casparian
October 30, 2007 - Page 4

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empty?

Please let me know if you have any questions or concerns about these proposed questions. Also, your questions were due yesterday but I have not received them. Are you planning on submitting any? If so, please send them asap.

Sincerely yours,

Terrence Lee Hancock
Directing Attorney

cc: Clients
Rahn Garcia, Office of the County Counsel

S:\D\AnyClients\Litigation&AdminHearings\LegalAssist\Housing\Mobilehome\SCanopyRentC-Admin\A\Inner-Conversion\Casparian05.LtrReMeetingQuestions.wpd

EXHIBIT

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Feb. 17, 2009

Dear members of the Planning Department and Commission,

I live at Alimur Mobile Home Park. I have resided here for almost 4½ years. Formerly married, I am now single with 2 young children. My family would be devastated financially by a park conversion.

This home has allowed us to remain in Santa Cruz County, and for my children to attend Kindergarten and first grades at Soquel Elementary School.

Although I am hard working and responsible, this conversion would make it unaffordable for us to stay here. Please help prevent this from happening.

Thank you for your kind attention.

Sincerely,
Nita Avenell
4300 Soquel Drive,
#93
Soquel, Ca. 95073

February 18, 2009

Alice Daly, Project Planner
Planning Commission
County of Santa Cruz
701 Ocean Street, 4th Floor
Santa Cruz, CA 95060

Re: Application: 07-0310

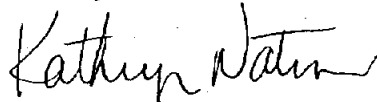
Dear Ms. Daly,

I am writing to strongly oppose the proposal to convert Alimur Mobile Home Park into an airspace condominium subdivision. There are three reasons why I oppose this conversion:

1. Unknown price for the lot I reside on. I don't know anyone who would agree to a conversion without knowing what it would cost.
2. Potential challenges in obtaining a loan to purchase the lot. The current economic crisis we are in may make it difficult to get a reasonable rate on a loan. I am also very concerned for the residents in the park that may not be able to purchase their lot and instead become renters--not homeowners--and lumped into a low income category.
3. Loss of equity. Even though I would make every attempt to purchase the lot I reside on if this proposal is approved, the potential for losing equity is too risky.

Thank you for considering my comments as you review, and hopefully deny, the mobile home conversion proposal.

Sincerely,



Kathryn Nation
4300 Soquel Drive #11
Soquel, CA 95073

4300 Soquel Dr # 57
Soquel, CA 95073

February 23, 2009

Board of Supervisors
County Government Center
701 Ocean St.
Santa Cruz, CA 95060

RE: Item # 7 - Wednesday, February 25 2009 Hearing
Application: 07-0310

Dear Honorable Board of Supervisors Members,

As a result of work obligations I am unable to present to you verbally my objections to this application to convert the Alimur Mobile Home Park to a condominium subdivide ownership park.

While the "sham" of these types of conversions are well documented, I would suggest that the owner is not only taking most (if not all) of the homeowners equity in this proposed conversion, but is also shifting the burden of neglect in the Alimur Park infrastructure from himself to a newly created homeowners association which would be necessary upon conversion of the park. The infrastructure neglect is currently contested in a lawsuit by the homeowners against the park owner.

If this conversion is approved it will cause an owner such as myself, a single father of two daughters, such extreme economic hardship that we may be forced to abandon our home. This would be the result of not being able to afford the mortgage on the mobile home as well as pay space rent increase based on a realistic assumption that a loan could not be secured to purchase the space. My daughters and I would be forced to allow foreclosure on the home in such case and could end up on the streets.

My home was purchased based on the fact that the space rent was bound by county rent control laws. This is where the value in the home was. This loophole being exploited in well intended legislation eliminates that space rent control, eliminating the value in the home and making it impossible to sell the home or move without catastrophic financial consequences.

The owner knew he was buying a park that was controlled by local rent control laws when he purchased the park. He has the right to sell the park as any owner should, but he is not selling, he is exploiting legislation at the cost of the homeowners and the county.

Allowing this conversion to take place will displace many of us like me, putting a higher burden on limited low income housing in the county of Santa Cruz.

As a borderline low income individual this process is adversely affecting my health because of the uncertainty. I paid a premium for a stable safe home for my daughters and me and what I have now is certainly not stable. This conversion will ruin me

0459

Please help me by making the facts around the space rent in place when I purchased my home the facts we live by.

Sincerely,

John Bonsall

LAW OFFICES
GILCHRIST & RUTTER
PROFESSIONAL CORPORATION

WILSHIRE PALISADES BUILDING
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SANTA MONICA, CALIFORNIA 90401-1000

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

February 23, 2009

VIA FED EX

Chairperson Albert Aramburu
Commissioner Steve Kennedy
Commissioner Rachael Dann
Commissioner Gustavo Gonzalez
Commissioner Renee Shepherd
Santa Cruz County Planning Commission
Planning Department, 4th Floor
701 Ocean Street
Santa Cruz, CA 95060

Re: Application No. 07-0310 to Convert the Existing Alimur Mobilehome Park From
a Rental-Only Park To Resident Ownership - Planning Commission's Meeting:
Wednesday, February 25, 2009

Dear Chairperson Aramburu and Commissioners Kennedy, Dann, Gonzalez, and Shepherd:

We represent the owners of Alimur Mobilehome Park ("Alimur"), a mobilehome park (the "Park") located within the County of Santa Cruz. As you are aware, Alimur has submitted an application (the "Application") for a tentative tract map to convert its Park from a rental park to a resident-owned park, pursuant to the Subdivision Map Act, Government Code section 66427.5 (the "Conversion").

This letter is in response to the Staff Report to the Planning Commission concerning the Application ("Staff Report") and the letter dated February 20, 2009 from counsel for certain Park residents, Mr. Terrence Lee Hancock, relating thereto ("Hancock Letter"). As discussed in more detail below, the Staff Report's recommendation that the Planning Commission ("Commission") recommend denial of the Application to the Board of Supervisors is improper and illegal. Mr. Hancock's arguments in support of the Staff Report are without merit.

The Staff Report alleges that the Conversion should be denied because it is not compliant with certain local regulations, permitting requirements, and the County's general plan ("General Plan"). Specifically, the Staff Report claims that the Conversion (i) is not a "bona fide resident conversion" as Alimur has not "evidenced that...the required 50% of residents voted in favor of conversion" as required under the County Code (Staff Report at p. 3), (ii) is inconsistent with the "General Plan Housing Element 4.7 goals, policies and objectives that seek to conserve the existing stock of affordable housing in the County" (*Id.*), (iii) is out of compliance with the number of units approved (*Id.*), and (iv) is not consistent with General Plan Policy 6.5.5, which

Chairperson Albert Aramburu
Commissioner Steve Kennedy
Commissioner Rachael Dann
Commissioner Gustavo Gonzalez
Commissioner Renee Shepherd
Santa Cruz County Planning Commission
February 23, 2009
Page 2

requires a "secondary access way for any new subdivision in the Urban area where lots are more than 500 feet from a through road" (*Id.*).

The Staff Report's recommendation is totally flawed in several respects. Among other things, it recommends the Commission support a denial based on criteria that are illegal under controlling state statutes and published appellate court precedent. Under state law, local government authority is restricted to determining a Conversion application's compliance with Government Code section 66427.5. Local governments cannot impose conditions on Conversions not contained in Section 66427.5. That means that local governments cannot condition approval of a Conversion application on consistency with its local regulations, permitting requirements, and/or general plan.

In fact, we have already filed a lawsuit challenging the County Ordinance, Ordinance No. 4880, that adopted Section 14.08.070(2) of the County Code imposing the bona fides requirement, among others, which the Staff Report cites to support its recommendation supporting denial of the Application. Although the litigation has been stayed pending the County's decision on the Application, we are confident, based on numerous trial court decisions throughout California vacating similar ordinances and resolutions, that the Court will vacate Ordinance No. 4880 because of the illegal conditions on Conversions adopted therein, conditions which the Staff Report are now attempting to impose.

First, as explained in further detail below, under California law, the state legislature has pre-empted local governments from attempting to pre-judge a Conversion as bona fide or not. Indeed, local governments are preempted from legislating in the area of mobilehome park Conversions entirely. In an effort to provide uniform statewide standards for Conversions and to encourage such Conversions, the state legislature enacted Government Code section 66427.5 to prevent local governments from imposing their own differing requirements on such Conversions, as the Staff Report here attempts to do. Accordingly, the County cannot deny Alimur's Application on the grounds that the Conversion is not "a bona fide resident conversion," as purportedly evidenced by the results of a resident survey suggesting that a majority of the park residents do not support the Conversion.

In fact, the County's definition of "bona fide" demonstrates that the County clearly misunderstands the term. A "bona fide" Conversion is not one in which the majority of the residents support the Conversion and/or purchase their lots. Rather a "bona fide" Conversion is one in which the park owner has a bona fide intent to and does offer the newly subdivided units in good faith to the residents for purchase. Conversely, a "sham" Conversion is one where the

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park owner purchases one of the newly created subdivided units, prices the remaining units at prohibitively expensive amounts, and claims exemption from local rent control ordinances, or merely initiates a Conversion to escape local rent control, without intending in good faith to sell the lots to park residents. See *El Dorado Palm Springs, Ltd. v. City of Palm Springs*, 96 Cal. App. 4th 1153, 1165 (2002) ("*El Dorado*").

If local government and/or residents contend after the true results of a Conversion can be determined, and based on known facts, that the park has not actually been converted to resident ownership, then they may obtain a court's determination that the Conversion has been a sham. That determination is premature at this stage, especially here, where we have concrete evidence, discussed further below, that the resident survey does not accurately reflect the sentiment of the Park residents, who were subject to a campaign of misinformation and harassment by the Park's resident homeowner's association ("HOA").

Here, Alimur has evidenced a bona fide intent to offer the lots to residents for purchase and has made every effort to solicit input from Park residents for months regarding all aspects of the Conversion, including possible incentives, to no avail. However, based on sentiments expressed in the resident letters attached to the Staff Report, we believe the following offer fairly addresses resident concerns and makes home ownership a feasible possibility for many of the Park residents. In order to make the lots even more affordable for Park residents, Alimur is prepared to offer the following incentives and protections if the Conversion is approved by the Commission immediately: (i) a fifteen percent (15%) discount off the appraised fair market value on the purchase price of the unit, (ii) owner assisted financing for up to twenty percent (20%) of the purchase price at an interest rate of four percent (4%) over a ten (10) year period, (iii) and the extension of the statutory rent protection set forth for lower income residents in Section 66427.5, subd. (f)(2) to the moderate income residents such that a moderate income resident's rent increases would also be capped at the Consumer Price Index ("CPI"), or less. In Santa Cruz County, a two person household earning \$55,700 qualifies as low income (for a four person household, an annual income level of \$69,600 qualifies) and a two person household earning \$78,100 counts as moderate income (for a four person household, an annual income level of \$97,600 qualifies).

Second, the County simply cannot condition approval of Alimur's Application on compliance with its local regulations, permitting requirements, and/or General Plan. Pursuant to Subdivision (e) of Section 66427.5, local government authority is clearly restricted to determining whether an applicant for Conversion has complied with the requirements contained therein. Therefore, the County cannot deny the Application because it is allegedly inconsistent

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with the County Code's bona fides requirement, discussed above, the County General Plan's "Housing Element 4.7 goals, policies and objectives that seek to conserve the existing stock of affordable housing in the County," the General Plan's "Policy 6.5.5, which requires a secondary access way for any new subdivision in the Urban area where lots are more than 500 feet from a through road," and/or the County's alleged permitting requirements, as consistency with the aforementioned are not requirements under Section 66427.5.

Furthermore, contrary to the Staff Report, a review of the County's General Plan reveals that the Conversion is consistent with the affordable housing provision in the General Plan. The General Plan states as one of its objectives the preservation of "the existing affordable housing" (General Plan, § 4.7 at p. 147). "Affordable" is defined as "[c]apable of purchase or rental by a household with moderate or lower income." (General Plan, Glossary of Terms at p. G-1.) Therefore, the Conversion is consistent with the General Plan in that it offers affordable purchase housing.

Additionally, the General Plan's Policy 6.5.5 only requires "a [vehicular] secondary access way for any new subdivision." (Staff Report at p. 3, emphasis added.) This provision is inapplicable to the Conversion, which does not involve any change in use and does not constitute a "new" subdivision. As the court made clear in *El Dorado*, "[A] change in form of ownership is not a change in use. After the change of ownership, the mobilehome park will remain a mobilehome park." 96 Cal. App. 4th at 1162. Also, contrary to the Staff Report's contention, the project plans for the Park did not "show a secondary access driveway" which is now blocked by Space No. 110 (Staff Report at p. 7, 11). Rather, the Park's project plans provided for a pedestrian access, which does exist and is utilized by many tenants of the Park. Space No. 110 does not interfere with the use of that pedestrian path to Robertson Drive.

Third, despite the fact that the Park has an operating permit which specifically provides that 147 mobilehome units are permitted, the Staff Report incorrectly maintains that the Park is not in compliance with the County's permitting requirements because only 146 mobilehome units are allegedly permitted.¹ Although we note that the record indicates the County was aware of and approved of the 147 lots in the Park, and that, regardless, this finding in and of itself is not adequate to support the denial of the Application as Section 66427.5, which limits local authority to determining compliance with the provisions of that section, in order to expedite approval of the Application, and without waiving any of Alimur's rights, we would agree to condition

¹ The relevant documents mentioned herein will be submitted into the record at the Planning Commission hearing on this matter.

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approval of the Application on closing one (1) unit in the Park. Furthermore, to address the concern in the Staff Report regarding the secondary vehicular access way, which is not required at the Park, is blocked, we would agree that the unit to be removed would be the one occupying Space No. 110.

In light of the clear state law, and the additional compromises we have offered to expedite approval, we urge that you recommend approval of the Application to the Board of Supervisors.

I. The County's Power Is Strictly Limited To Determining If Owners Have Complied With Specific Requirements Of Government Code Section 66427.5

As we have repeatedly advised the County, under California law, local government authority with regards to Conversions is strictly limited to determining if applicants have complied with the requirements enumerated in Government Code section 66427.5. To deny the Application on the grounds set forth in the Staff Report, which are wholly unrelated to compliance with Section 66427.5, is therefore illegal under California law. Furthermore, contrary to Mr. Hancock's allegations, nothing in Section 66427.5, its legislative history or the case law indicates that Section 66427.5 was enacted to "provide a procedure for allowing 'bona fide' resident-initiated and supported conversion." (Hancock Letter at p. 2.) To the contrary, the Court of Appeal explicitly rejected this notion.

The California Court of Appeal directly addressed the limitations on local government's authority in reviewing a mobilehome park Conversion application in the seminal *El Dorado* case and held that local governments "only had the power to determine if [the applicant] had complied with the requirements of [Section 66427.5]." 96 Cal. App. 4th at 1163-64 (emphasis added). In fact, this law firm was responsible for successfully litigating this very issue in *El Dorado*, as well as in several trial court cases throughout California.

In *El Dorado*, the City of Palm Springs ("Palm Springs") conditionally approved El Dorado's mobilehome park Conversion application; however, the Palm Springs City Council imposed three conditions not found in Government Code section 66427.5. *See id.* at 1156-57. The Court of Appeal applied the plain and unambiguous language of the statute and held that Palm Springs had no power or authority to impose conditions on El Dorado's Conversion application other than those found in Section 66427.5.

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Although Palm Springs argued that the conditions it imposed were designed to prevent an abuse of the Conversion process by a possible fraudulent or "sham" Conversion intended only to avoid the local rent control ordinance, the Court found that "section 66427.5, subdivision (d) provides that 'The scope of the hearing shall be limited to the issue of compliance with this section.' Thus, the City lacks authority to investigate or impose additional conditions to prevent sham or fraudulent transactions at the time it approves the tentative or parcel map." *Id.* at 1165 (emphasis added).

Accordingly, under *El Dorado*, the County's authority is strictly limited to confirming that Conversion applications comply with the requirements contained in Government Code section 66427.5.² The County cannot condition approval of the Application on the requirements discussed in the Staff Report, which are not contained in Section 66427.5.

The *El Dorado* court conclusively determined that: (i) Government Code section 66427.5 controls a mobilehome park Conversion from a rental park to a resident-owned park (*Id.* at 1158-63); (ii) the purpose of Government Code section 66437.5 is to provide uniform statewide standards for converting rental parks into resident-owned parks, thereby promoting Conversions to home ownership (*Id.* at 1169-1170); (iii) the requirements set out in Government Code section 66427.5 are exclusive and local government has no authority to impose additional conditions (*Id.* at 1164, 1166); (iv) if the requirements of Government Code section 66427.5 are met, the local agency must approve the Conversion application (*Id.* at 1165, 1167); (v) local government does not have the ability or the authority to determine whether a Conversion is "bona-fide" or not (*Id.* at 1165); and (vi) mobilehome park residents do not have and cannot have the ability to veto a Conversion by withholding support for a Conversion application (*Id.* at 1172, 1181-82).

² Section 66427.5 requires, in sum, (1) that existing tenants each receive an option to either purchase their lot or continue their tenancy, (2) that the applicant file a tenant impact report on the Conversion, (3) the applicant submit a survey of support for the proposed Conversion by written ballot from the residents, (4) that the applicant shall be subject to a hearing by the local government limited to the issue of compliance with Section 66427.5, and (5) that state rent control, as detailed in subdivision (f), applies to all tenants who elect not to exercise their right to purchase.

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II. The 2002 Amendment to Section 66427.5 Adding A Requirement Of A Survey Of Resident Support Did Not Confer Additional Authority On Local Governments

As Mr. Hancock mentions in his letter, in 2002, post-*El Dorado*, the Legislature amended Government Code section 66427.5 to add the requirement that the applicant obtain a survey of resident support to the other pre-existing statutory requirements ("2002 Amendment"). See Cal. Gov. Code, § 66427.5(d). However, contrary to Mr. Hancock's allegations, **the Legislature did not amend in any way the scope of authority of the local government.** Rather, local government is restricted to determining whether the survey of resident support ("Survey") is conducted and submitted in accordance with the requirements set forth in Section 66427.5.

The Legislature left in place and untouched the explicit provision which the *El Dorado* court found dispositive on the issue of local governments' lack of authority to investigate or impose additional conditions to prevent sham or fraudulent Conversions at the time of tentative map approval: "The scope of the hearing shall be limited to the issue of compliance with this section." Cal. Gov. Code, § 66427.5, subd. (e) (formerly Gov't Code, § 66427.5, subd. (d); see *El Dorado*, 96 Cal. App. 4th at 1165. If the Legislature had intended to allow the added requirement of a resident survey to give the local agency authority to deny the application based on survey results, it certainly would not have left this language in place.

The *El Dorado* court specifically rejected the contention that a Conversion application requires any level of resident support for its legitimacy or its approval. Indeed, giving park residents effective veto would directly conflict with the legislative intent to foster and encourage Conversions and provide for uniform statewide requirements. *Id.* at 1172, 1182.

Again, nothing in the 2002 Amendment changed the statute or the legislature's intent not to allow residents to veto or block the Conversion. As the AB 930 Assembly Bill analysis explains:

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.** It is foreseeable that the results of this survey could be used to argue to a court that the conversion is a sham and that

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the rent formulas in Section 66427.5 should not be applied. The fact that a majority of residents do not support the conversion is not however an appropriate means for determining the legitimacy of the conversion. The law is not intended to allow park residents to block a request to subdivide. Instead, the law is intended to provide some measure of fiscal protection to nonpurchasing residents. (Emphasis added.)

The legislative history of the 2002 Amendment adding the Survey requirement explicitly states that "[t]he law is not intended to allow park residents to block a request to subdivide," yet, this is exactly what the Staff Report proposes. The Staff Report calls for the County to pre-judge at the time of application whether the Conversion is "bona fide" based on the level of resident support. This clearly gives park residents power to block a Conversion application and is illegal in light of state statutes and *El Dorado*.

If the County conditions approval of the Application on resident support, it would completely undermine the entire purpose behind the state statute to provide uniformity of conditions on Conversions throughout the state and to encourage such Conversions.

III. Only The Courts, And Not The County, Have The Authority To Determine Whether A Conversion Is Not "Bona Fide"

As previously stated, Section 66427.5 does not give the County the authority to define a bona fide Conversion, to decide whether an applicant's Conversion application is "bona fide" or not, or to set its own criteria for determining whether a Conversion is bona fide or not. See, *El Dorado*, 96 Cal. App. 4th at 1165 ("[T]he City lacks authority to investigate or impose additional conditions to prevent sham or fraudulent transactions at the time it approves the tentative or parcel map."). To the contrary, Section 66427.5 explicitly limits the County's authority to a determination of whether its specific requirements have been met. Permitting the County to block a Conversion because it has decided for itself that the proposed Conversion is not bona fide, according to criteria it arbitrarily established, would defeat the legislative intent to promote Conversions to resident-ownership and to establish uniform statewide standards for such Conversions.

The Legislature amended Section 66427.5 only to add the requirement that the applicant obtain a survey of resident support to the other pre-existing statutory requirements. The Legislature did not amend in any way the scope of authority of the local government. Rather, it

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is the duty of *the courts* to ensure that a park owner cannot use a failed or fraudulent Conversion to escape local rent control. *El Dorado*, 96 Cal. App. 4th at 1165-1166 and 1166 n. 10; *see also Donohue v. Santa Paula West Mobile Home Park*, 47 Cal.App.4th 1168 (1996) ("*Donohue*"). In the event of a sham or unsuccessful Conversion, a court will refuse to apply the state rent provisions of Section 66427.5 in place of local rent control. *Id.* In this way, residents are protected from any unscrupulous park owner that might attempt to escape local rent control through a so-called "sham" Conversion.

In *Donohue*, a Conversion application was filed and approved. However, the park residents were never able to obtain necessary financing and no lots were ever offered for sale or sold. In essence, the Conversion process collapsed shortly after it had begun and no resident owned any part of the park. Nevertheless, the park owner attempted to increase rents by the amounts permitted under Section 66427.5. The park residents therefore sought injunctive and declaratory relief that the park owner was not permitted to invoke the state rent control provisions of Section 66427.5. The Court agreed. It found that no Conversion had occurred, and therefore the park owner could not invoke Section 66427.5's rent provisions. *Donohue*, 47 Cal.App.4th at 1173-1177. The *El Dorado* court later stated, "[A]s *Donohue* illustrates, the courts will not apply section 66427.5 to sham or unsuccessful conversions." *El Dorado*, 96 Cal. App. 4th at 1166 n. 10, (emphasis added).

If and when the subdivider claims the Conversion has occurred and state rent control governs the rents chargeable to tenants who elect not to buy, any serious contention that the Conversion is fraudulent or illegitimate can and should be addressed to the courts just as in *Donohue*. *See El Dorado*, 96 Cal. App. 4th at 1165-1166 and 1166 n. 10; *Donohue*, 47 Cal.App.4th at 1168. A court can evaluate the Conversion process as a whole, including the number of tenants who indicated an intent to buy, the number of escrows opened, the availability of financing at the prices offered, etc. If these and other facts demonstrate a sham in violation of state law, there is no doubt that a court would invalidate the Conversion and confirm that the park remains a rental facility subject to local rent control. That inquiry is premature at the time local government considers the Conversion application – the first step in a long and highly regulated process. Moreover, Section 66427.5 makes clear it is not within the local authority's power to investigate or regulate these matters as part of the tentative tract map approval process. Nothing in the 2002 Amendment changes this process. The Survey merely provides additional facts that might be considered if the Conversion is challenged.

Finally, we note that here the resident surveys do not even accurately reflect the sentiment of the Park residents, who were subject to a campaign of misinformation and

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harassment by the Park's HOA. That residents were fed misinformation is clear in the residents letters attached to the Staff Report, many of which are from low income residents who are nonetheless concerned about being displaced through increased rents. (Staff Report at p. 20, 21, 26, 27, 44.) As we have repeatedly advised the County and the residents, low income residents are protected from displacement by the state statutory rent protection provided in Section 66427.5, which would limit the rent increases for low income residents to the increase in the CPI, or less, for as long as they continue to rent. In addition to this clear campaign of misinformation by the HOA, we have evidence that the HOA has harassed Park residents and attempted to intimidate residents into voting against the Conversion. Attached as "A" is a true and correct copy of a signed statement from a Park resident attesting to the intimidation she faced from the Park's HOA over her vote on the resident survey.

IV. Alimur's Conversion Is Bona Fide.

As discussed above, contrary to the Staff Report and Mr. Hancock's allegations, the definition of bona fide relates only to the bona fide intent of park owners to convey lots to residents following Conversion, rather than using the Conversion merely to circumvent local rent control in a sham transaction. Accordingly, even if the County did have authority to adjudge the bona fides of a Conversion, which it does not, here there is no dispute that the Conversion is bona fide and that Alimur has a good-faith intent to convey the lots to Park residents. Among other things, Alimur is offering: (i) a fifteen percent (15%) discount off the appraised fair market value on the purchase price of unit, (ii) owner assisted financing for up to twenty percent (20%) of the purchase price at an interest rate of four percent (4%) over a ten (10) year period, (iii) and the extension of the statutory rent protection set forth for lower income residents in Section 66427.5, subd. (f)(2) to the moderate income residents such that a moderate income resident's rent increases would also be capped at the Consumer Price Index, or less.

V. The County Can Not Condition Approval Of A Conversion Application On Consistency With The County's Local Regulations, Permitting Requirements. And/Or General Plan.

The Staff Report also recommends the Commission support the denial of the Application because it is allegedly inconsistent with the local regulations, permitting requirements and General Plan. However, a tentative map or preliminary parcel map for a residential use Conversion need comply only with the requirements of Government Code section 66427.5. Government Code section 66427.5, subd. (e) states unequivocally, "The scope of the hearing shall be limited to the issue of compliance with this section." *El Dorado*, 96 Cal. App. 4th at 1163-64, confirmed that the County only has the power to determine compliance with

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Government Code section 66427.5. The County must approve an application if it complies with Section 66427.5 whether it is consistent with the County's local regulations, permitting requirements, and General Plan or not. *See id.* at 1165. Accordingly, by conditioning approval of the Application on constancy with the County's local regulations, permitting requirements, and General Plan, the Staff Report has imposed an illegal condition on approval.

Indeed, not only is the condition of consistency illegal, but the Staff Report's finding of inconsistency is inaccurate. For example, contrary to the allegations in the Staff Report, the evidence shows that the Conversion is consistent with the General Plan's goal to "seek to conserve the existing stock of affordable housing in the County." (Staff Report at p. 3.) The General Plan defines "[a]ffordable" as "[c]able of purchase or rental by a household with moderate or lower income." (General Plan, Glossary of Terms at p. G-1.) Therefore, the Conversion is clearly consistent with the General Plan in that it offers affordable purchase housing.

The Staff Report also alleges the Conversion is inconsistent with the County's General Plan in that the Park does not have a "secondary access way" pursuant to the General Plan's Policy 6.5.5 because Space No. 110 allegedly blocks said access. The Staff Report further contends that the Park is not in compliance with the County's permitting requirements because there are 147 mobilehome units whereas the Park is allegedly permitted only for 146 units. As discussed above, neither of these findings is adequate to support the denial of the Application because Section 66427.5 limits local authority to determining compliance with the provisions of that section. Furthermore, denial of the Application is not the appropriate remedy for these alleged inconsistencies, which more properly require notices of non-compliance and adherence to certain administrative procedures.

Moreover, the Staff Report's findings are simply incorrect. For example, contrary to the assertions in the Staff Report (Staff Report at p. 3), a secondary vehicular access road was never a requirement of the Park. The record indicates only that a pedestrian access was required. Such access does exist and is utilized by many tenants of the Park. Space No. 110 does not interfere with the use of that pedestrian path to Robertson Avenue. In addition, also contrary to the claims in the Staff Report, the Park has an operating permit that specifically provides that 147 mobilehome units are permitted. Our records indicate that the County has been fully aware of this fact and has approved of the Park as a 147 unit mobilehome park.

However, in order to expedite approval of the Application, and without waiving any of Alimur's rights, we would agree to condition approval of the Application on closing Space No.

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110, which the County alleges is blocking the secondary access way, thereby addressing both of the concerns raised in the Staff Report.

VI. Alimur Will Seek Damages Against The County For A Delay In The Approval Of Its Conversion Application.

The Court of Appeal's holding in *El Dorado* and decisions by other courts have made very clear that local governments are pre-empted from imposing conditions on mobilehome park Conversions beyond those set forth in Section 66427.5. If Alimur is forced to seek court intervention to obtain approval of its Application, any delay incurred will cause damages to Alimur.

Any delay caused by the County to the Conversion will cause the County to be liable for inverse condemnation, or "takings," damages. The proper measure of damages for a taking would award the landowner "the return on the portion of fair market value that is lost as a result of regulatory restriction," or "the market rate return computed over the period of the temporary taking on the difference between the property's fair market value without the regulatory restriction and its fair market value with the restriction." *Wheeler v. County of Pleasant Grove*, 833 F.2d 267, 270-71 (11th Cir. 1987). Courts are in agreement that appreciation of the property during a taking must not be factored into the inverse condemnation damages calculation. *See Wheeler*, 833 F.2d at 271; *Herrington v. County of Sonoma*, 790 F. Supp. 909, 914 (N.D. Cal. 1991), *aff'd*, 12 F.3d 901 (9th Cir. 1993).

A handful of local governments, in a misguided attempt to frustrate and delay Conversions, have either passed illegal ordinances attempting to impermissibly regulate Conversions, such as the County's Ordinance No. 4880, or have approved illegal resolutions which have impermissibly denied applications for Conversions. With one exception, these attempts have all failed.³

Thus far, this firm has obtained several writs of mandate from trial courts throughout California, including Riverside County, Los Angeles County, San Mateo County, and Santa Barbara County, compelling local governments to correct their illegal attempts to frustrate and

³ The exception is with regards to the County of Sonoma in *Sequoia Park Associates v. County of Sonoma*, Sonoma County Superior Court, Case No. SCV 240003. There, a temporary judge issued a bare-bones opinion less than one page long upholding Sonoma County's ordinance regulating Conversions. This case is currently on appeal.

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delay Conversions. Specifically, we have obtained writs (i) compelling two (2) local governments to overturn resolutions which impermissibly denied Conversion applications for their alleged failure to evidence resident support; (ii) invalidating a local ordinance that attempted to impose illegal conditions on Conversions, such as requiring that applicants meet certain health and safety requirements within the parks, provide certain maintenance documents and engineering reports, and submit a tenant impact report containing extensive and burdensome information not within the local government's proper discretion or consideration, in violation of Section 66427.5; (iii) vacating a resolution requiring an Environmental Impact Report as part of the Conversion process; (iv) vacating ordinances which imposed illegal temporary moratoriums on Conversions; (v) overturning the requirement that Conversions must comply with local general plans and/or specific area plans, including affordable housing requirements; and, (vi) overturning the requirement that an applicant make changes to a park's infrastructure to allegedly address health and safety concerns.

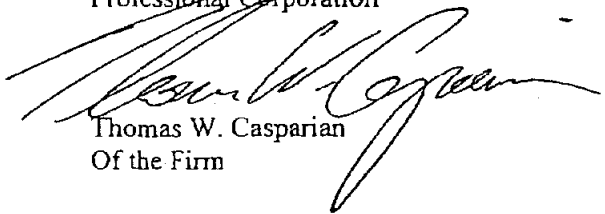
In addition, we are currently pursuing claims for damages against the local governments involved in these actions and have recently settled a suit for approximately \$1 million against the City of Palm Springs for its actions in the seminal *El Dorado* case, discussed above.

Alimur hopes that the Planning Commission recommends the Board of Supervisors approve its Applications. If the County denies and/or delays the Conversion however, we will be forced to bring claims against the County for inverse condemnation and other wrongful acts.

Please include this letter and all letters the County Counsel's office has been copied on regarding this matter in the record of proceedings on this matter.

Very truly yours,

GILCHRIST & RUTTER
Professional Corporation


Thomas W. Casparian
Of the Firm

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Enclosure

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EXHIBIT E

LAW OFFICES
GILCHRIST & RUTTER
PROFESSIONAL CORPORATION

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cc: Dana McRae, County Counsel (*Via FedEx*)
Tess E. Fitzgerald, Clerk of the Board (*Via FedEx*)
Mark Deming, Planning Commission Secretary/Assistant Director to
the Planning Department (*Via FedEx*)

EXHIBIT E

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ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED

DATE 11-14-01 BY 60322 UCBAW

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EXHIBIT A

EXHIBIT E

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DECLARATION OF CYNTHIA BUNCH

I declare under penalty of perjury that on or about August 22, 2008 I received a Resident Survey in my mail. On the day I received the survey, there was a knock on my door later that afternoon. It was one of my neighbors, a member of the Alimur Homeowners Association ("AHA"), asking if I had received the survey.

I told him yes but I didn't have the chance to open it yet. He said, "Where is it? I'll go over it with you and point out a few things to help you understand it." I went and got the survey, opened it and handed it to him. He flipped the first page or two over saying I didn't need to "worry about this stuff. It's just things that we heard about in previous AHA Meetings about the conversion." He got to the last page and said, "This is where it is important. You sign here," and he pointed to the line, "...to vote against the conversion."

He then asked, "You are with us aren't you? You are going to vote against the conversion?" I wasn't about to start a debate with him and I didn't want to get him angry with me - so I told him "Yeah." He said "OK, here" and handed me a pen and said, "Go ahead and sign it."

I didn't take the pen from him, and that's when he started to get me upset and angry about his bullying. At that point I just looked at him and asked "What are you, the park's police? Making sure that everyone does vote against it. What, you don't trust me? You need to see me sign against?" I told him I would sign it later when I had more time. I had just got home from work- just got out of the shower, and had to get ready to go to work again to my second job. By then I just wanted to get him to leave. He saw that he wasn't getting anywhere with me - that I wasn't going to sign it in front of him to witness. He said, "Ok, but make sure you make a copy of your vote, for your records."

I replied "Why? So you see the copy and how I actually voted?" He then left, obviously not happy with me and disappointed that he wasn't able to bully me into doing what he wanted. And as he walked up the street (away from his house) I wondered who else he was going to try and bully next.

By then, I was more decided than ever to vote for the conversion - but it got me wondering. Was it a confidential vote or was it going to be made open to the public down in some record hall to see who voted which way. If it was to be a matter of public record, I did not want to vote for it then have to deal with the wrath of those who were/are against it. I would have just not voted at all.

The next day I phoned Lori Adam, whom we were to send our vote to and asked her if our vote was confidential or would it be made public. She said she wasn't sure, she was just collecting them and referred me to Gilchrist & Rutter with my question. It was only after I was assured my vote was confidential, and I would not have to fear being retaliated against by members of AHA that I felt comfortable enough to go ahead and vote for what I would like to see come about for the future of Alimur Park.

Signed this 2 day of October, 2008.

Cynthia Bunch
(Signature)

Cynthia Bunch
Name

ATTACHMENT

From: PLN AgendaMail
 Sent: Tuesday, February 24, 2009 12:09 PM
 To: PLN AgendaMail
 Subject: Agenda Comments

0476

Meeting Type : Planning Commission

Meeting Date : 2/25/2009

Item Number : 7.00

Name : John Bonsall

Email : JBonsall@aol.com

Address : 4300 Soquel Dr Space 57
 Soquel, CA 95073

Phone : Not Supplied

Comments :

Board of Supervisors
 County Government Center
 701 Ocean St.
 Santa Cruz, CA 95060

RE: Item # 7 - Wednesday, February 25 2009 Hearing
 Application: 07-0310

Dear Honorable Board of Supervisors Members,

As a result of work obligations I am unable to present to you verbally my objections to this application to convert the Alimur Mobile Home Park to a condominium subdivide ownership park.

While the "sham" of these types of conversions are well documented, I would suggest that the owner is not only taking most (if not all) of the homeowners equity in this proposed conversion, but is also shifting the burden of neglect in the Alimur Park infrastructure from himself to a newly created homeowners association which would be necessary upon conversation of the park. The infrastructure neglect is currently contested in a lawsuit by the homeowners against the park owner.

If this conversion is approved it will cause an owner such as myself, a single father of two daughters, such extreme economic hardship that we may be forced to abandon our home. This would be the result of not being able to afford the mortgage on the mobile home as well as pay space rent increase based on a realistic assumption that a loan could not be secured to purchase the space. My daughters and I would be forced to allow foreclosure on the home in such case and could end up on the streets.

My home was purchased based on the fact that the space rent was bound by county rent control laws. This is where the value in the home was. This loophole being exploited in well intended legislation eliminates that space rent control, eliminating the value in the home and making it impossible to sell the home or more without catastrophic financial consequences.

The owner he was buying a park that was controlled by local rent control laws when he purchased the
 2/24/2009

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EXHIBIT

k. He has the right to sell the park as any owner should, but he is not selling, he is exploiting legislation the cost of the homeowners and the county.

Allowing this conversion to take place will displace many of us like me, putting a higher burden on limited low income housing in the county of Santa Cruz. 0477

As a borderline low income individual this process is adversely affecting my health because of the uncertainty. I paid a premium for a stable safe home for my daughters and me and what I have now is certainly not stable. This conversion will ruin me

Please help me by making the facts around the space rent in place when I purchased my home the facts we live by.

Sincerely,

John Bonsall

2/24/2009

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EXHIBIT E

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ATTACHMENT

From: PLN AgendaMail
Sent: Tuesday, February 24, 2009 2:50 PM
To: PLN AgendaMail
Subject: Agenda Comments

0478

Meeting Type : Planning Commission

Meeting Date : 2/25/2009

Item Number : 7.00

Name : Martin and Debra Towne

Email : Martintowneroofing@hotmail.com

Address : 2750 Robertson Street
Soquel, California 95073

Phone : 831-476-7804

Comments :

We live across the street and there are some problems with the hillside, not being stable. The "exposed" sewer line, should be covered by something? There has been a definite "lack" of maintenance on the hillside. The hillside occasionally drops little rocks and some slides occur, plus a lot of bushes are in the way when we (our mailboxes are across the street from our house), or kids and adults, from the Mobile Home Park, cross the street, the growing bushes, jetting out from the hillside, limit our view of on coming traffic which is very scary when the traffic is coming so fast from Soquel Drive. The vegetation used to be cut back occasionally, but that hasn't happened for quite some time now. The hillside should really be checked by some soils engineer people? Perhaps a crosswalk should also be installed, so pedestrians may have access to cross the street safely!

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2/24/2009

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EXHIBIT

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ADJUTANT GENERAL

5

Alice Daly

0479

From: Dominick Orlando [domorlando1@gmail.com]
Sent: Wednesday, February 25, 2009 7:40 AM
To: Alice Daly
Subject: Application: 07-0310 (Concern)

Application: 07-0310 (Concern)

Alice,

I am not able to make it in for the meeting this morning however I have a concern. We live directly adjacent to the Alimur Trailer Park. Our concern in simple terms is that our 4 year old daughter has Accute Lymphoblastic Leukemia (Cancer). Our Doctors at Lucille Packard Children's Hospital at Stanford have warned us from exposing our daughter heavy unearthing typically associated with new home construction. Reason being is that if enough dirt is unearthed there are certain bacteria that are present that can fatally harm our daughter.

The doctors were specific to mention not to be around consturction sites. Since the cure for our dauthers cancer is chemotherapy (at least for the next year minimum) her immune system is and will be compromised. Exposure to bacteria is the #1 concern doctors have since she does not have the immunity.

We choose to move to Soquel Knolls becace it was quiet and was well maintained and manacured. The proposed construction

I hope we can come to some further understanding if in fact this may be a potential life threat for our child. If the treat is present and viable and too late for action our extreme response would have to be to pack up and move our family. This is not a pleasant though if this ensures the protection for our daughter it will be what has to be done.

To be clear, I will be looking into this matter more fully so I would appreciate your reply to this email.

--Dominick Orlando
4213 Starboard Ct
Soquel, CA 95073

BCC: Maureen O'brien, Kara Davis: Stanford

2/25/2009

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EXHIBIT E

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Planning Commission

Materials submitted during the 2/25/08 Public Hearing

Item 7: 07-0310

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EXHIBIT E

TENANT IMPACT REPORT

ALIMUR MOBILEHOME PARK

June 2008

1. **Purpose of Tenant Impact Report.** This Tenant Impact Report ("TIR") is being prepared pursuant to California Government Code § 66427.5 and Santa Cruz County Code §14.08.040 and §14.08.050. The information in this TIR is provided by the owner ("Park Owner") of the Alimur Mobilehome Park, located at 4300 Soquel Drive, Soquel, California ("Park") to each Resident Household sufficiently in advance of the resident survey of support required by subsection (d) of California Government Code §66427.5 to allow its consideration by Resident Households for purposes of such survey (*County Code §14.08.050(A)*).

The purpose of this TIR is to explain the protections afforded to those Resident Households that elect not to purchase a condominium interest in the Park. All Resident Households 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 California Government Code § 66427.5. 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.

For additional information regarding the information described in this TIR, Resident Households may contact the Office of County Counsel, Santa Cruz, County, 701 Ocean Street, Room 505, Santa Cruz, California 95060 (831) 454-2040 (*County Code §14.08.040(N)*).

1.1 **Change of Ownership Rather Than Change of Use.** 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 Park to file a report on the impact that the conversion to another use will have on the Residents and occupants of the Park. In connection with a conversion, 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.

¹ "Resident Household" or "Resident Households" means any person(s), entity, or group of person(s) who own a mobilehome in the Park 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 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 1/147th 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.

Some mobilehome parks are converted to new uses, so that they will not remain mobilehome parks. The impact from a conversion to another use means closure of the Park, which necessitates the vacation of property by the Residents. This is NOT what is occurring at the Park. The Park is not being closed and the Residents are not vacating the property, 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, and participate in the operation of the Park through a Homeowners' Association, or continue to rent their individual spaces. The Park will not have a change of use, but rather only a change in the method of ownership.

(a) 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 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). Categories of Resident Households within the Park.** California Government Code § 66427.5 divides the Residents of a Park into two (2) income categories for the Resident Households: (1) non-low income and (2) low income households. Low 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 low-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. (*County Code Chapter §14.08.040(B)*) To qualify as a low-income household, the following income limits were established for calendar year 2008.³

Household Size # of Persons	1	2	3	4
Income Must be at or Below:	\$48,700	\$55,700	\$62,650	\$69,600

(a) **Definition of Resident(s).** As used in this Tenant Impact Report, a "Resident" or "Residents" is any person who is a permanent Resident of the Park during the period commencing from the date the application for conversion, was filed with the local agency through and including the date of the issuance and delivery of the "Final Public Report". The Resident(s) of the Park must be a person, or persons, who (i) has his or her name on the title to the mobilehome; (ii) lives in the mobilehome as his or her permanent residence; and (iii) has been approved by the Park as a tenant under the Mobilehome Residency Law and all other applicable County and State laws, ordinances, regulations, or guidelines.

1.3 **Description of the Property.** The Park was constructed in approximately 1963 and is a one-hundred and forty-seven (147)-space "Family" Park (no age restriction applies), situated on approximately twelve (12) acres. The Park has wide asphalt streets with center

³ 2008 State Income Limits for Santa Cruz County.

gutters; utilities are underground. The common area contains a clubhouse with a full kitchen, bathrooms, library, and a piano. There are ping-pong and pool tables, shuffleboard court, and a solar pool. The pool area is furnished including chaise lounges and chairs. There is a separate laundry room.

An engineer's report on the type, size, current condition, adequacy, and remaining useful life of each common facility located within the park, including, but not limited to, water systems, sanitary sewer, fire protection, storm water, streets, lighting, pools, playgrounds, and community buildings is attached to this TIR as Attachment 1, Infrastructure Study (County Code §14.08.040(I)). The Park Owner agrees to comply with all recommendations set forth within such engineer's report prior to approval of the "Tentative Parcel Map" by the County of Santa Cruz (County Code §14.08.040(J)).

Upon the Conversion Date (as defined in Section 4.3 below), the common area of the Park will be owned and operated by the Alimur Homeowners' Association ("HOA"). Pursuant to California Civil Code §1365(a), California Business and Professions Code §11018.5(e), and California Department of Real Estate ("DRE") Commissioner's Regulation 2792.1, an HOA *pro forma* operating budget listing the expected income, operating fund needs, and reserve fund needs, along with the basis for the calculation of the reserve fund needs must be provided to the DRE prior to the DRE's issuance of the "Final Public Report" required for conversion of the Park. The DRE will determine if the amounts proposed in the HOA operating budget appear to be a fair representation of the amounts needed for Park operation and long term reserves. The Park Owner must provide funds for the HOA reserve fund account in an amount equal to the replacement cost for the already expired useful life of all of the Park's common areas prior to the Conversion Date. A draft version of the HOA *pro forma* budget is attached as Attachment 2 to this TIR (County Code §14.08.040(K)).

There has been no Title 25 inspection conducted by the California Department of Housing and Community Development ("HCD") in the Park within the previous twelve (12) calendar months. See the HCD Information Bulletin 2008-10(MP) dated April 21, 2008 attached to this TIR as Attachment 3 (County Code §14.08.040(L)).

2. Residents' Current Position/Rights.

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

For those Residents who are on a one (1)-year or month-to-month tenancy, the County of Santa Cruz Rent Control Ordinance currently regulates the rent increases. See the Rental Rate History attached to this TIR as Attachment 4 (County Code §14.08.050(B)).

2.2 Residents' Rights. In addition to the terms of the Rental Agreements, the tenancy rights of Residents residing in the Park are governed by California Civil Code § 798 *et seq.* ("Mobilehome Residency Law"), other applicable California statutory and case law, and the County of Santa Cruz 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 tenancies and existing 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 or Economic Displacement.**

4.1 **Impact of Conversion.** Under the 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 California Government Code § 66427.5. The Park Owner is agreeing to comply with the rent provisions pursuant to state law as set forth in this TIR, which will become a condition to the County of Santa Cruz's approval of the "Final Map" (*County Code §14.08.040(G)*).

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, the HOA will operate the Park.

4.2 **Rental Rate Increases: No Economic Displacement.** The economic displacement of non-purchasing Resident Households shall be mitigated by allowing the Resident Households who elect not to purchase the space on which their mobilehome is situated to continue their tenancy in the Park under the *Subdivision Map Act* rental increases restrictions. See, California Government Code § 66427.5 (f) (1 & 2) ("Map Act Rents"). 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. (*County Code §14.08.040(E)*). Upon the Conversion Date, the Map Act Rents will supersede Santa Cruz County Code Chapter 13.32. See the Santa Cruz County Statement summarizing Santa Cruz County Code Chapter 13.32 attached to this TIR as Attachment 5 (*County Code §14.08.040(A)*).

(a) **Non-Low Income Resident Households.** For the non-low income Resident Households, 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. Pursuant to California Government Code § 66427.5(f)(1), market rent is established by an appraisal conducted in accordance with nationally recognized professional appraisal standards (*County Code Chapter §14.08.040(D)*). 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) **Lower Income Resident Households.** The State has emphasized its goal of protecting housing for the lower income population of California under California Government Code §66427.5. The lower 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. 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. The other qualifying requirements, including without limitation, asset limitations, shall be as defined in the United States Housing Act of 1937, as amended from time to time. Lower income Resident Households are protected for the entire term of their tenancy. Based upon a demographic survey of all Resident Households taken during September 2007, it is estimated that 84% (eighty-four percent) of the current residents are low income; 48% (forty-eight percent) are seniors (62 years of age or older); and 11% (eleven percent) are disabled (*County Code §14.08.050(D and E)*).

In compliance with the HOA Covenants, Conditions, and Restrictions ("CC&Rs"), after the Conversion Date upon the vacancy of a space by the sale of a mobilehome to a third party, such space will convert from a rental unit to a purchase unit. In such event, since such space would then be owned by the resident, vacancy control (*County Code §13.32.070*) is no longer necessary or applicable (*County Code §14.08.40(A)*).

(1) **Rent Increase Formula.** 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.

(2) **Application Process.** The Resident Household must provide the same information and confirmation of the Resident Household's income and permanent status at the Park as though that Resident Household 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 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 Conversion Date as defined in Section 4.3 herein. As part of the distribution of the "Final Public Report" issued by the California Department of Real Estate, leases and qualifying information shall be simultaneously distributed. The Resident Households shall have ninety (90) days within which to make their election to purchase their lot or to continue to rent their space(s).

4.3 **"Conversion Date"**. Conversion Date is defined as the date of the first sale of a space/lot (*County Code §14.08.040(C)*).

4.4 **No Actual Displacement**. The 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 as described in this TIR. 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(c). 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 (*County Code Chapter §14.08.040(H)*).

4.5 **Conclusion: No Actual Nor Economic Evictions**. The legislative intent behind relocation mitigation assistance as contained in Government Code §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 their mobilehome 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 TIR is to explain the options of the Resident Households 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 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 Household because of the conversion and therefore, no relocation mitigation is required.

5. Timeline of Conversion.

Pursuant to the requirements of California Government Code §66427.5, and Santa Cruz County Code §14.08.040 and §14.08.050, outlined below are the procedures and typical timeline regarding conversion to resident ownership of the Park (*County Code §14.08.040(M)*):

1. 60-Day Notice to all resident households (60 days);
2. File Tentative Parcel Map Application with County;
3. Provide Tenant Impact Report to all resident households (30 days);
4. Conduct resident survey in agreement with homeowner association (30 days);
5. Obtain County approval of Tentative Map (6 months);
6. Obtain lot appraisal (3 months);
7. Notify residents of tentative purchase prices for lots;
8. File application with California Department of Real Estate;
9. File application with HCD Mobilehome Park Residency Ownership Program for State funded loans for low income residents to purchase;

10. Obtain Final Public Report from DRE (5-6 months);
11. Sales begin (90 days).

6. 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", or continue to rent a space in the Park, thereby allowing the Residents to control their economic future. Unit prices in the Park will be established based upon an appraisal by an MAI certified appraiser (*County Code §14.08.040(F)*).

The conversion provides the Residents with 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 HOA dues, directly or through rent, both buyers and renters benefit from the conversion.

Based upon actual data of another park which was converted to resident ownership in the same manner four (4) years ago, it is expected that sixty percent (60%) of Resident Households will purchase their units within the first four (4) years after conversion (*County Code §14.08.050(C)*).

7. PUD/Condominium Interest: Ninety (90) Day Purchase Option Period.

7.1 PUD/Condominium Interest. The conversion provides the Resident Households with the opportunity to acquire an ownership interest in the Park, which likely 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 that will be insured by a policy of title insurance. The front and back lot line boundaries of each "PUD/Condominium Interest" will be determined by a licensed land surveyor 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-in-one hundred forty seventh (1/147th) interest in the Park's common areas, and 1/147th interest in the common areas, 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 HOA, CC&Rs, and California law pertaining to such ownership.

7.2 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.

8. Legal Notices.

The Resident Households have received the "Notice of Intent to File a Map" with the County of Santa Cruz 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)".

9. Conclusion.

9.1 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 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.

9.2 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.

9.3 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 rate.

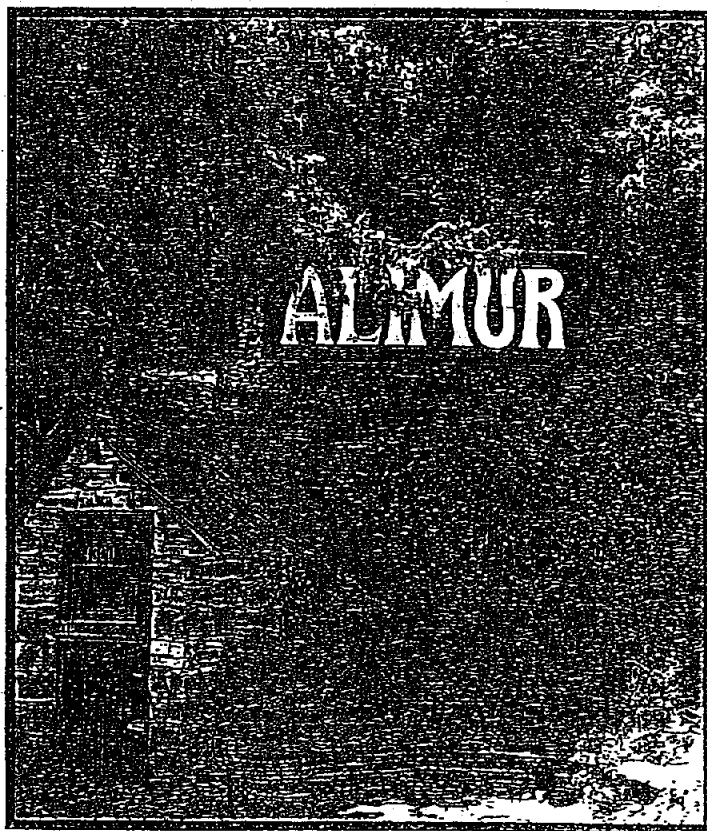
9.4 All Resident Households choosing to continue to rent will have occupancy rights exactly as they have now, and all existing Rental Agreements will be honored, subject to California Government Code § 66427.5, Mobilehome Residency Law, and other California law, as applicable.

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INFRASTRUCTURE STUDY
FOR
ALIMUR MOBILE HOME PARK

SANTA CRUZ COUNTY, CA



June 4, 2008



5200 Soquel Avenue, Suite 102
Santa Cruz, CA 95062
(831) 426-5313 FAX (831) 426-1763
www.iflandengineers.com

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WABITE

0491



Vicinity Map
N.T.S.

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EXHIBIT

INTRODUCTION

Alimur Mobile Home Park is located at 4300 Soquel Drive at the southwest corner of Robertson Street near the westerly limits of the Village of Soquel, (unincorporated portion of Santa Cruz County), California. The park consists of 147 rental spaces over an area of 12.3 acres of land. There is a building at the top of the sloping entrance road that serves as the park office and clubhouse. A swimming pool is adjacent to the building. A second building is located across an intersection street to the entrance drive that is the laundry and a recreation room/lounge. At the time of our site visits, no spaces were vacant and a number of new modular homes had been installed, replacing older mobile homes.

We were supplied with several plans of the park that were used to prepare this report. One plan appears to be sheet 1 of the original park construction plans dated March 15, 1957, showing only 105 spaces, not the 147 spaces which exist today. The next plan dated 7/26/78, prepared by Henry H. Diel and Associates, Inc. shows the cathodic protection system for the natural gas distribution throughout the park. We also were given a plan dated August 15, 1989 showing how the park exists today, the Tentative Map prepared by Sid Goldstein, Civil Engineers, Inc. that was recently submitted for the proposed subdivision and a recent aerial photo of the park.

Our research included obtaining maps from City of Santa Cruz Water Department for the offsite water system in Soquel Drive and Robertson Street and a map from Santa Cruz County Sanitation District showing the sanitary sewer system in Robertson Street. Information was obtained from the park owner, the park manager, City of Santa Cruz Water Department Engineering Staff, Santa Cruz County Sanitation District staff, and the Central Fire Protection District Fire Marshal.

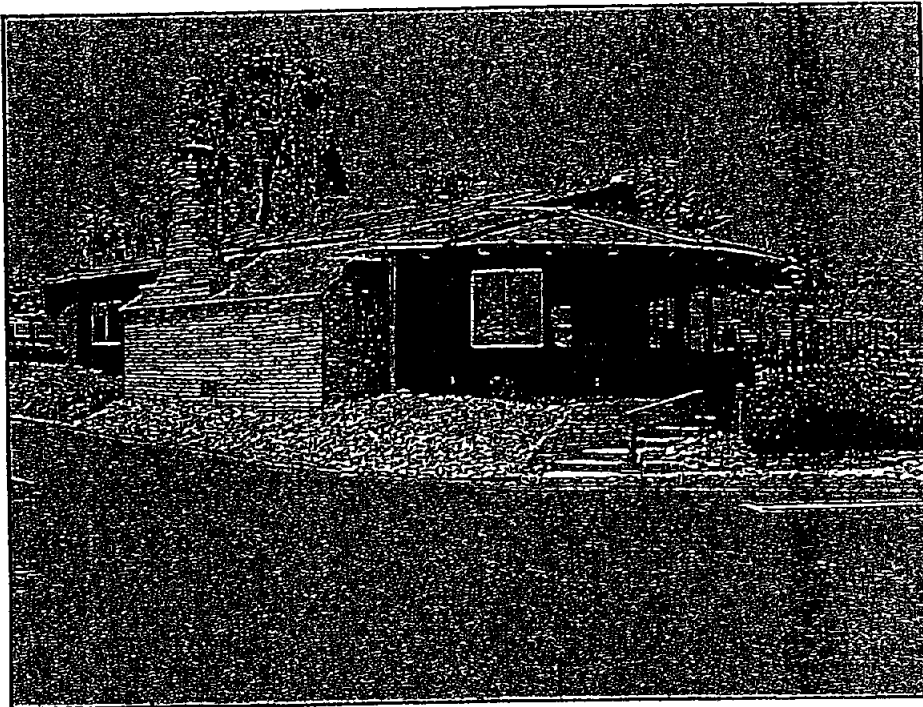
This study was done to determine the extent of the park's existing common area infrastructure that will need repairs, replacement, or upgrading to provide a minimum of an additional 30 years of useful life. The common area is the entire park site except the 147 mobile home spaces.

BUILDINGS

The office/clubhouse building (Photo 1) appears to be in good condition considering that it is over 50 years old. It is of wood frame construction, exterior wood siding and brick veneer. Solar heating for the pool is provided by the solar panels located on the roof of this building.

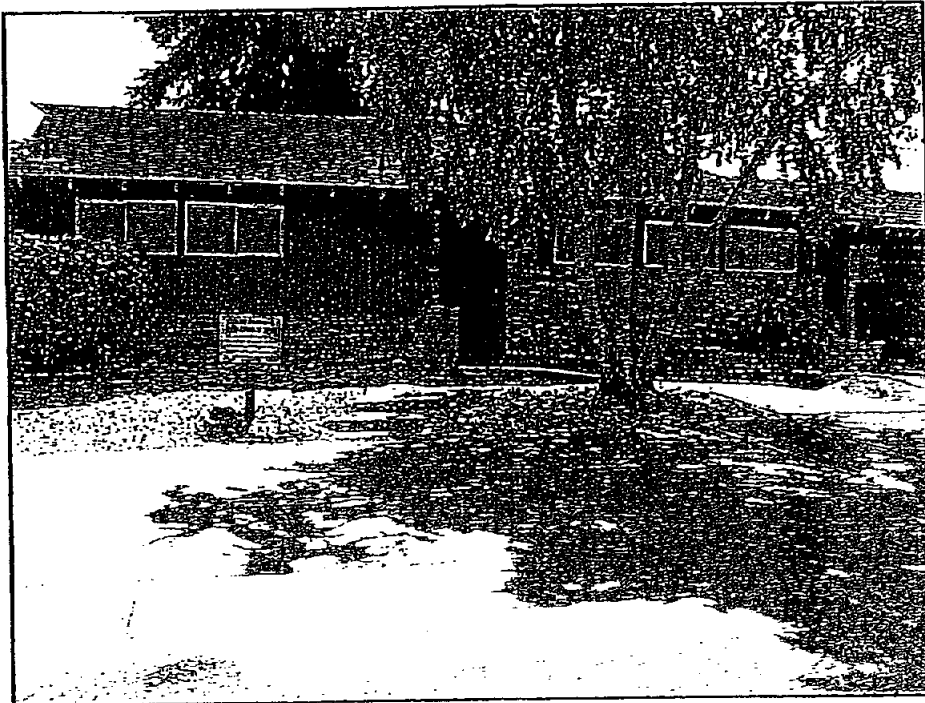
The laundry/lounge building (Photo 2) also appears to be in good condition for its age. It too is of wood frame construction, exterior wood siding and brick veneer.

Both buildings have had new composition shingle roofs installed within the past year. We have no recommendations for repairs or replacement other than routine maintenance such as painting interior and exterior as needed.



Office and Clubhouse Building

Photo 1



Recreation and Laundry Building

Photo 2

ATTACHED
5

Alimur Mobile Home Park
Infrastructure Analysis and Recommendations

STREETS

All the park streets are paved with asphaltic concrete with most, but not all having a concrete valley gutter along the centerline to carry the storm drainage to catch basins that connect to pipe systems to an offsite point of discharge. Most of the streets are in poor condition with cracked pavement (both A.C. and concrete) with many recent and some aged patches where pavement failures have occurred. (See photos 3, 4 and 5). Park management has stated that all the streets will be seal coated soon. A seal coat serves to close some of the broken pavement for a time, but serves only to temporarily give a few years of use, delaying its inevitable failure. The reconstruction of these streets will be the most expensive of all the recommended infrastructure improvements. However, with the seal coating, the pavement life and the cost of reconstruction can be deferred for about 4 years.

The old pavement cannot be just overlaid with 2" of new asphaltic concrete. This would raise the edges of the streets along the adjoining carports and walks, thereby blocking off the drainage coming off the spaces. The only way we would be able to solve this problem is to completely grind down the existing pavement and reconstruct the entire structural section of the pavement. The entrance drive could be overlaid without grinding off the old pavement. We also discovered that the cross-slope of the street pavement is almost flat, which does not allow for proper drainage to the center valley gutter. Because most of the concrete valley gutters are badly broken, they too would need to be removed and rebuilt with thicker, reinforced concrete and an increased slope to the center. (See detail on sheet 5.)

The following photos were taken prior to the recent seal coating of the streets.
See estimate costs associated with street reconstruction on page 17.



**IFLAND
ENGINEERS**

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6200 SOQUEL AVE, SUITE 182
SANTA CRUZ, CA 95062
TEL (831) 426-8312
FAX (831) 426-1763
www.iflandengineers.com

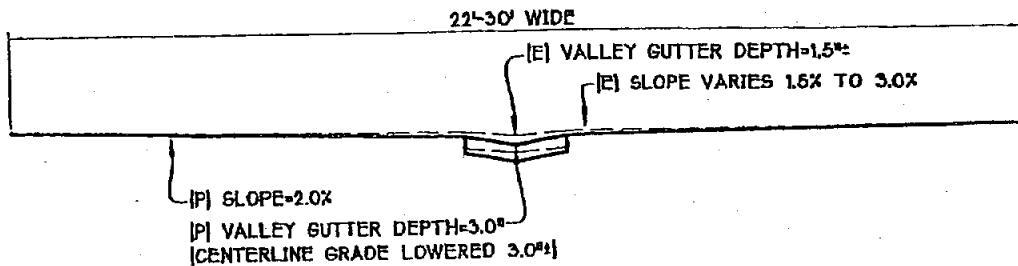
JOB NO. _____ ALIMUR MOBILE HOME PARK

SHEET NO. _____ 5 _____ OF _____ 18

CALCULATED BY _____ GHI _____ DATE _____ 5/22/08

SCALE: _____ N.T.S.

0496



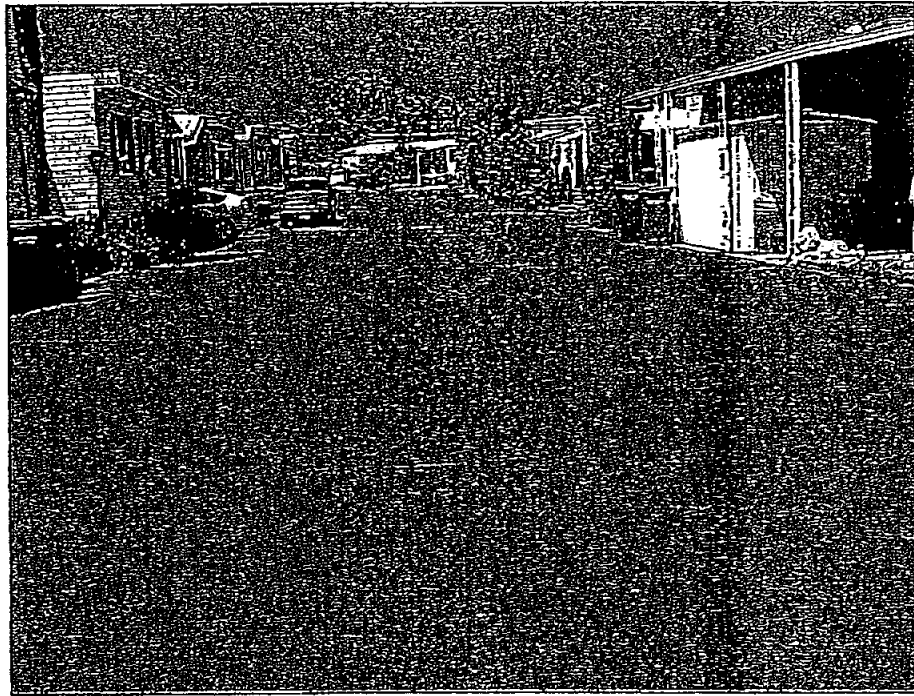
Typical Street Section Reconstruction

N.T.S.

sedisknml12008080201hw01STREET SECTION EXHIBIT.dwg 22May08 12:05:55 PM samsliver © IFLAND ENGINEERS, INC.

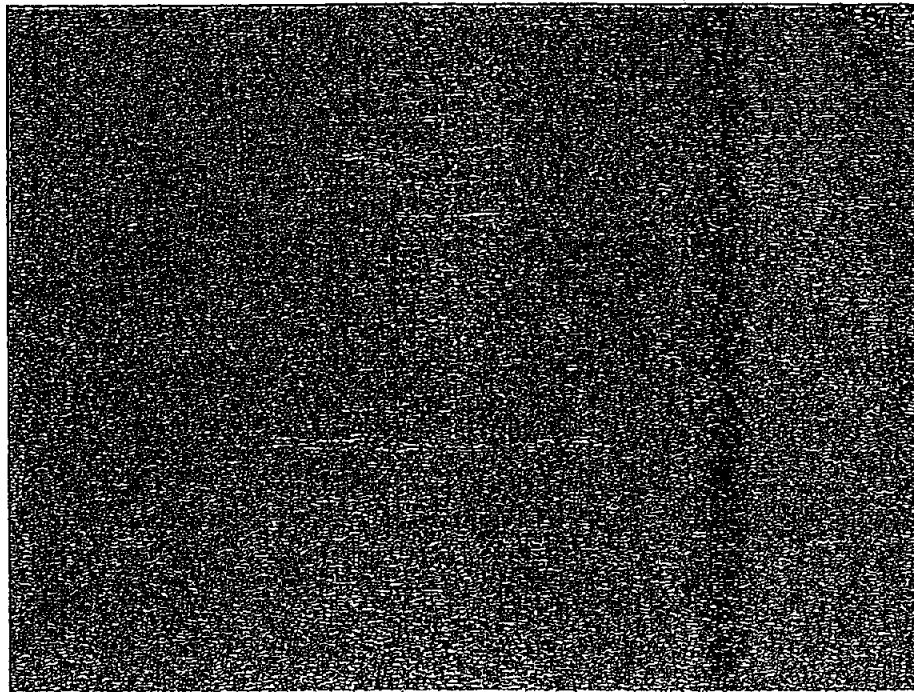
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EXHIBIT E



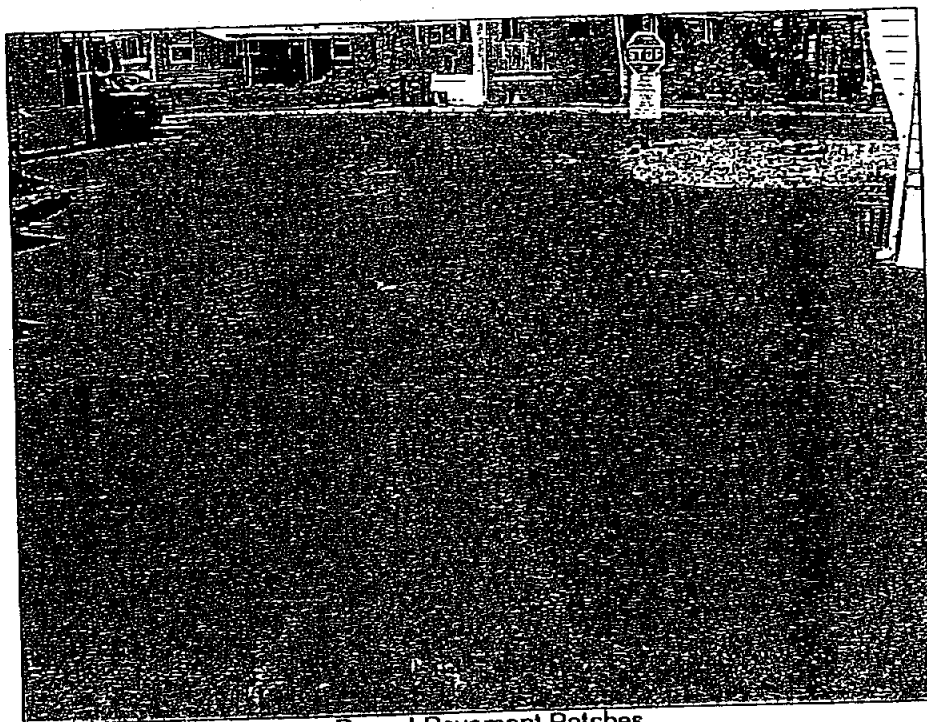
Street Valley Gutter in Good Condition but Pavement Poor with Patches

Photo 3



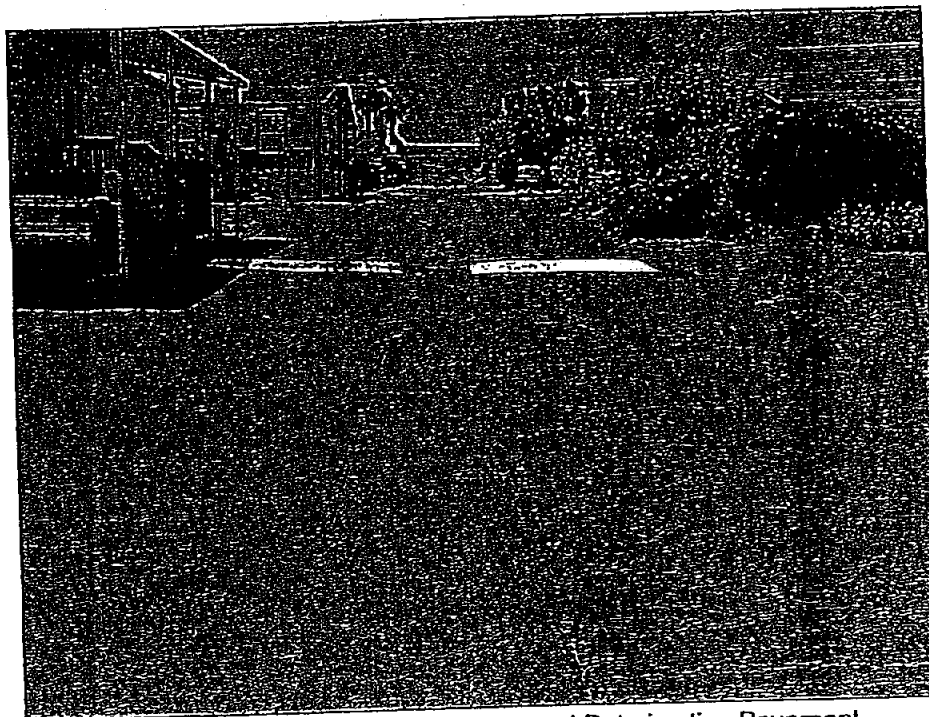
Street Valley Gutter in Poor Condition

Photo 4



Recent Pavement Patches

Photo 5



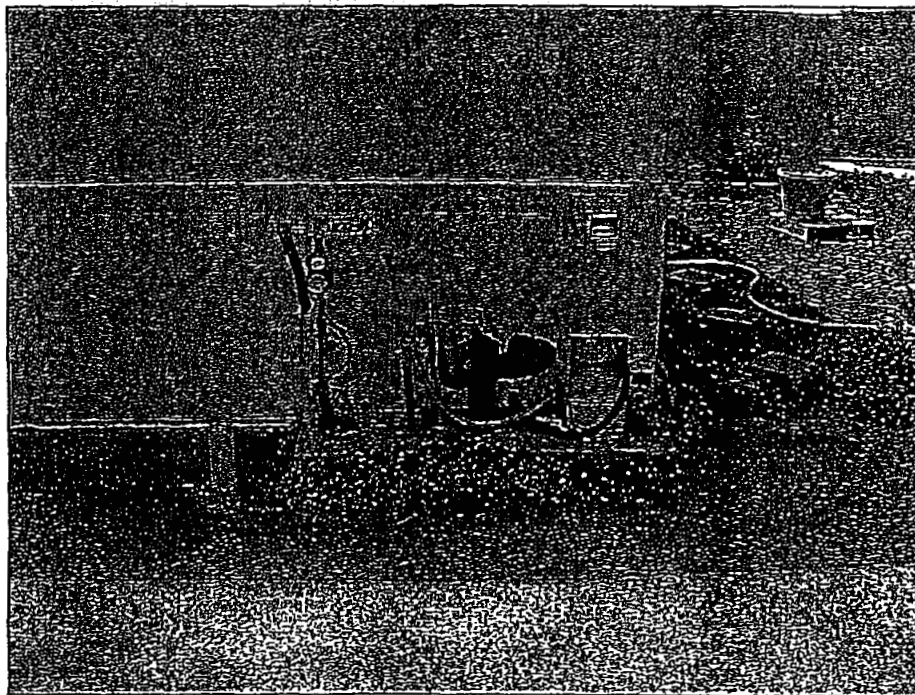
Typical Street Showing Valley Gutter and Deteriorating Pavement

Photo 6

GAS AND ELECTRIC

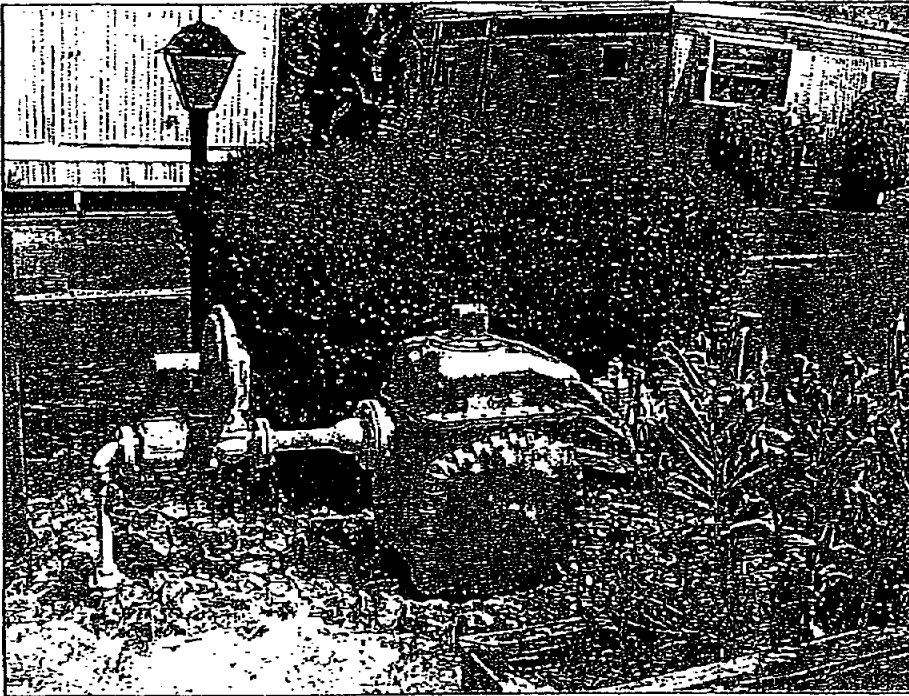
Pacific Gas and Electric Co. (P.G.E.) provides both gas and electrical service to the park with master meters. These utilities are then distributed to each space and buildings throughout the park owner's system to individual sub-meters at each space. One master gas meter is located near the entrance off Soquel Drive behind space 101A (106 on the Site Plan) and the other is near space 139. (Photo 8). The master electric meter and service panel is located at the west side of the laundry /lounge building. Each space is provided with a 30-50 amp service. Six to eight spaces have 100 amp service. Two of the spaces are provided electrical service directly from PG&E on separate meters

Park Management has not experienced any significant problems with these utilities and therefore we have no recommendations as to upgrades, repairs or replacements. New electric meters were installed three years ago and some upgrade in re-wiring was done.



Typical Utility Cluster Water, Gas, Sewer, Electric

Photo 7



Natural Gas Meter at Space 139

Photo 8

WATER

Water service is supplied by City of Santa Cruz Water Department by way of a 2" master meter located at the entrance of Soquel Drive. This meter is connected to an old 4" cast iron pipe that extends from a 6" cast iron main, 650 feet to the west. The 4" pipe extends only about 400 feet easterly to the limits of the City's service area. Each park space is individually sub-metered. New meters were recently installed.

Although the 2" service is adequate to service the domestic water needs of the park, it would not meet current fire protection requirements for new development. Since this project does not include new development, no recommendations are made for new fire protection.

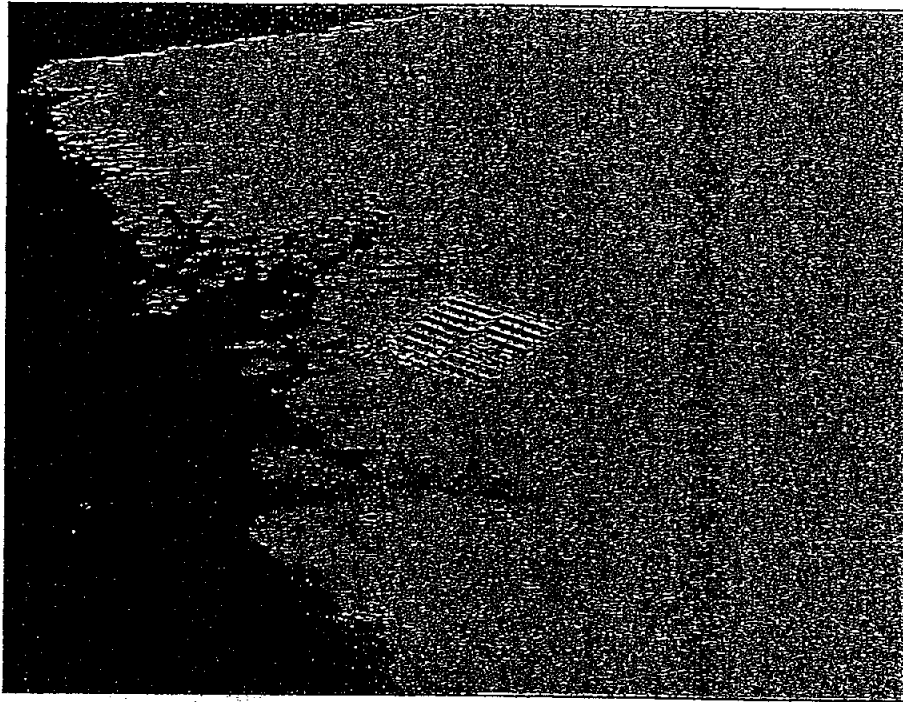
SANITARY SEWERS

The park is serviced by the Santa Cruz County Sanitation District. The park collection system is park owned and maintained so the district has no responsibility for any of the park system. The point of connection to the district is a 6" lateral out to the main in Robertson Street approximately directly opposite the office/clubhouse building. Several years ago, this 6" lateral out to the street was replaced together with three sub-laterals extending to the park collection system.

Since this is an underground piped system except for the risers at each space, there is no way to inspect or determine the condition of the pipes, except by video pipeline camera. Park Management stated that the only problem seems to be from individual home connections, where clogging due to objects being flushed down the drain that do not belong in a sanitary sewer system.

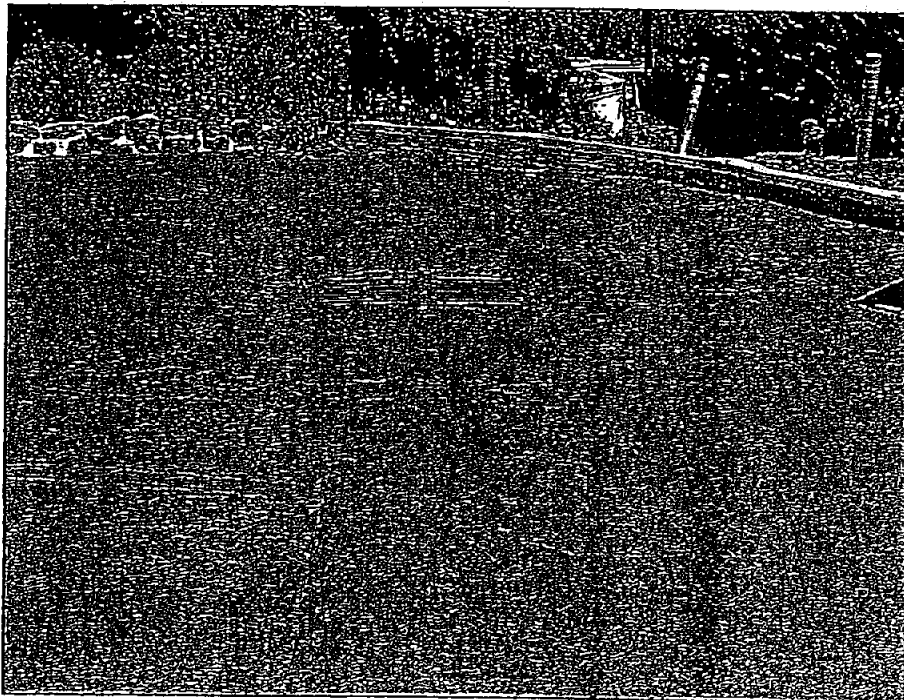
STORM DRAINAGE

The storm drainage collection system is along the street centerline where most streets have a concrete valley gutter. The spaces slope toward the streets. The park is divided into two drainage areas that are collected into catch basins and then piped off-site to storm drains in Soquel Drive (photo 9) and Robertson Street (Photo 10). In questioning some park tenants and park management concerning the adequacy of this collection system, they stated that during heavy rainstorms, the streets do not flood or cause any unusual inconvenience. Although there are only catch basins at two locations at the end of the drainage basins, the longitudinal slope of the street gutters allows for adequate flow capacity to handle heavy storms. Therefore, we have no recommendation to change the current conditions except to replace all the broken gutters.



Storm Drain Inlet Near Space 107

Photo 9

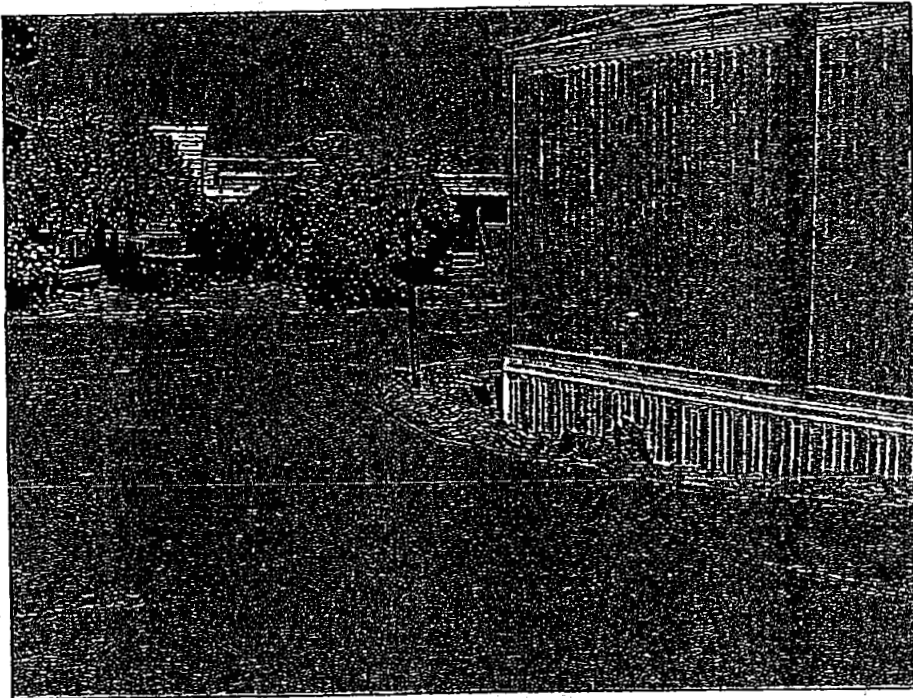


Storm Drain Inlet Near Space One

Photo 10

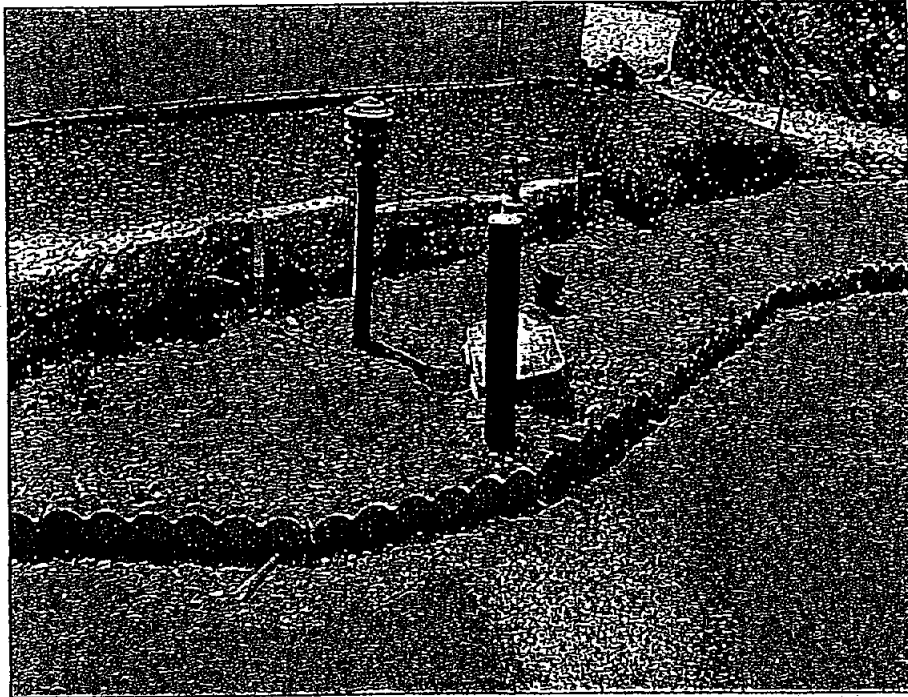
STREET LIGHTING

The park has low level street lighting (See Photo 11) at regular intervals. It meets the minimum requirements. Our only recommendation is to replace the bulbs with long lasting fluorescent lamps.



Typical Street Light

Photo 11



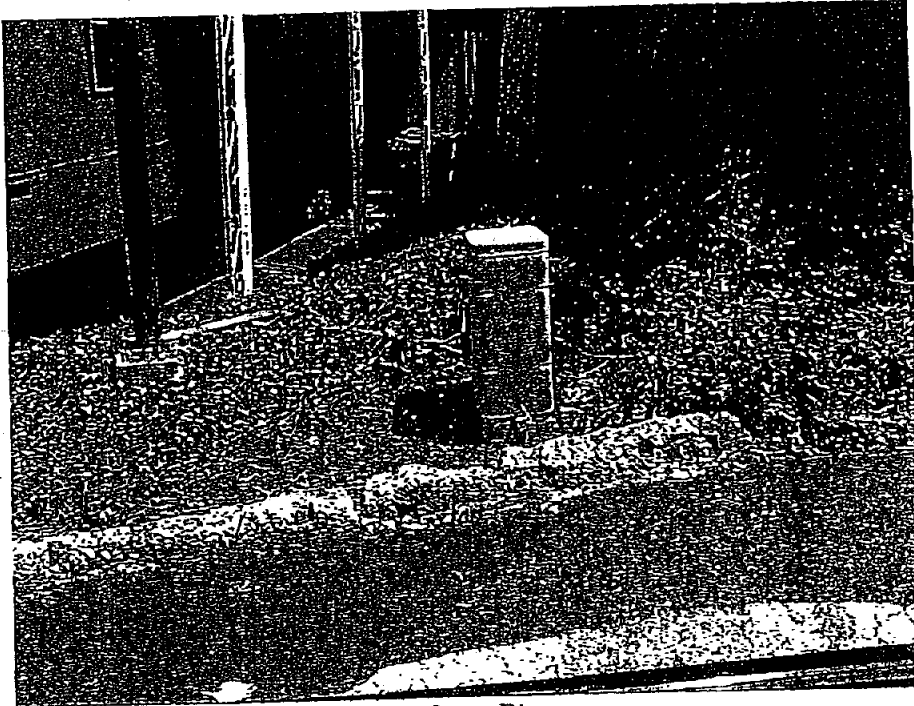
Landscape Lighting and fire Hydrant

Photo 12



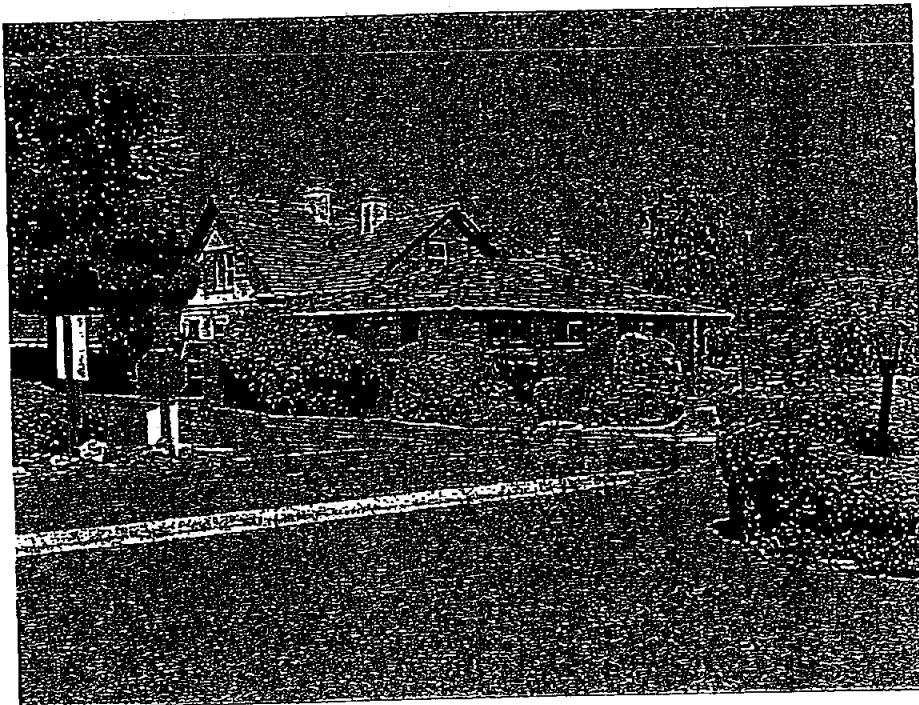
Swimming Pool

Photo 13



Telephone Riser

Photo 14



Triplex (On Remainder Parcel)

Photo 15

FIRE PROTECTION

The park has 16 small 1-1/2" wharf head fire hydrants located throughout the site. These hydrants are connected to the domestic water system. The static water pressure ranges from 35 to 50 pounds per square inch (p.s.i.) and flows from 32 gallons per minute (g.p.m.). These hydrants were last tested on July 19, 2002 by Lund Pearson McLaughlin, 897 Independence Avenue, Suite 1E, Mountain View, CA 94043. These hydrants provide limited water supply for fire protection and according to the park management, Central Fire District, the agency that provides fire protection service to the park, does not use these hydrants.

There are two 6" "Steamer" hydrants across Soquel Drive from the park. These hydrants are connected to the City of Santa Cruz water mains. Hydrant # 2062 approximately 700 feet west of Robertson Street has a flow of 993 g.p.m. at 60 p.s.i. and 2368 g.p.m. at 20 p.s.i. residual. The other hydrant, #2082, also a 6" "Steamer" is approximately 50 feet west of Robertson Street and has a flow of 581 g.p.m. at 78 p.s.i. and 551 g.p.m. at 20 p.s.i. residual. This flow rate is restricted due to the connection to an old 6" cast iron main.

Although the 16 small hydrants in the park meet the minimum requirements of the State Division of Housing, Title 25, they would not meet current standards for new development. Since this project does not include new development no recommendations for fire protection are made.

UTILITIES TRENCHES

The utility trenches that service each space are located at the rear of the spaces with laterals off the main lines to each space's utility cluster. If and when any of these utilities need to be repaired, it would be very difficult to replace them in the same location.

In similar parks with the utilities in the rear of the spaces, replacement utilities are installed under the street pavement as new lateral extensions back to the utility cluster. At some time in the future it may be necessary to replace some of the utilities. Work should be coordinated with the future street reconstruction and repaving so as not to trench through new pavement.

SWIMMING POOL

The swimming pool is in good condition and was recently retrofitted with a solar heating system. The pool decking around the pool will need some minor repairs to prolong life. The pool is fenced and gated.

SUMMARY

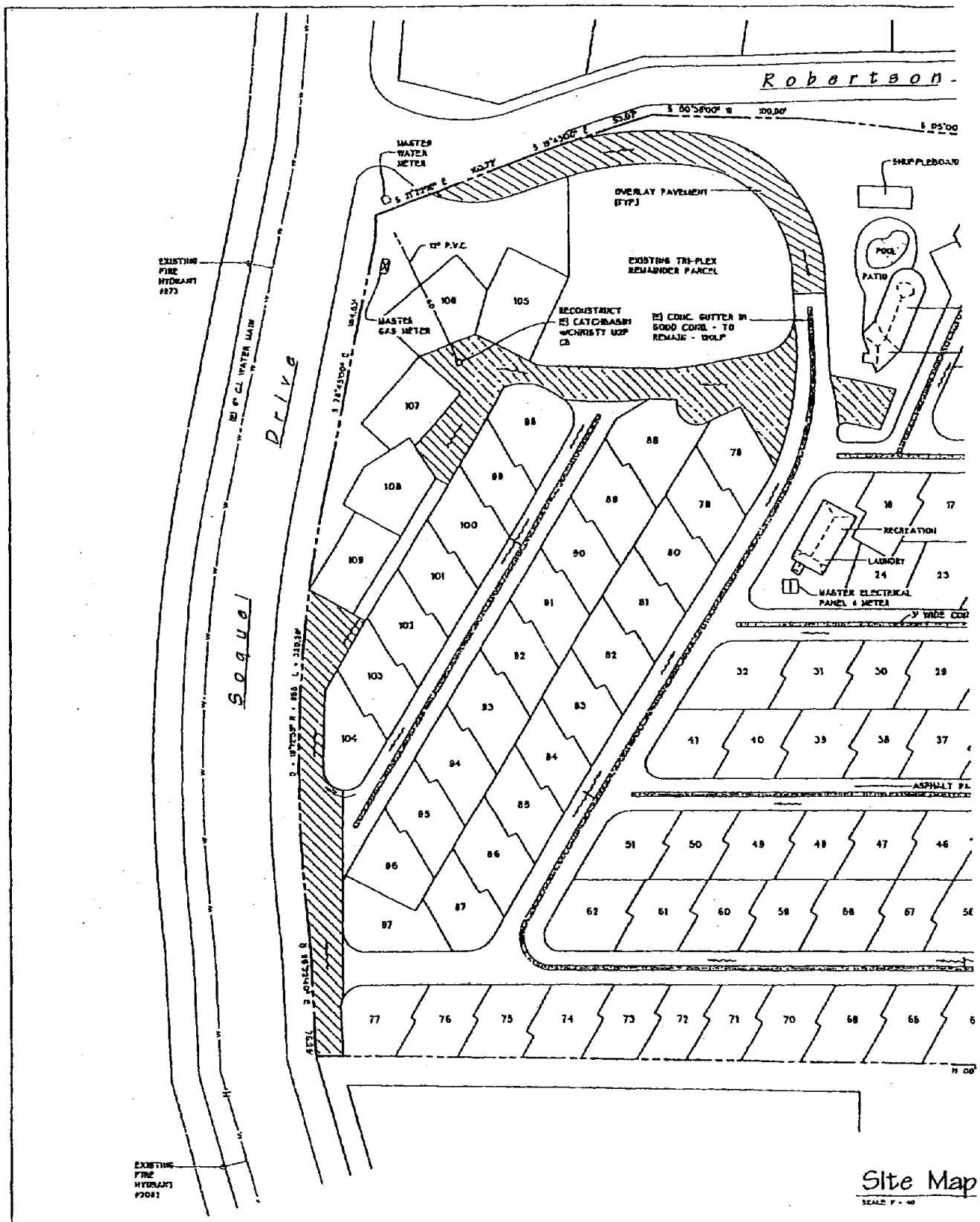
Although the park is over 50 years old, it is in relatively good condition. The owner(s) over the years have maintained, repaired or replaced portions of the infrastructure and buildings so that now if the recommendations contained herein are implemented, the park will have an extended useful life of 30 years or more.

**Engineer's Estimate of Probable Cost of
Common Area Infrastructure Improvements**

Item	Description	Quantity	Unit Cost	Totals
1.	Street Pavement Removal	106,000 S.F. @	\$0.50	\$53,000.00
2.	Street Concrete Gutter Removal	3,780 S.F. @	1.00	\$3,780.00
3.	Grading-Street Subgrade	106,000 S.F. @	0.30	\$31,800.00
4.	Repaving 2" AC over 6" A.B.	106,000 S.F. @	4.50	\$477,000.00
5.	Pavement Overlay- 2"	18,600 S.F. @	2.50	\$46,500.00
6.	Install New Curb and Gutter	1 LS	3,500.00	\$3,500.00
7.	Construction 3' wide Concrete Gutter	11,000 S.F. @	5.00	\$55,000.00
				\$670,580.00
<i>Contingencies</i>			10%	\$67,058.00
TOTAL				\$737,638.00
<p><i>Any improvements made consistent with these recommendations, subsequent to the date of inspections for preparation of this report, shall be credited toward this estimate.</i></p>				

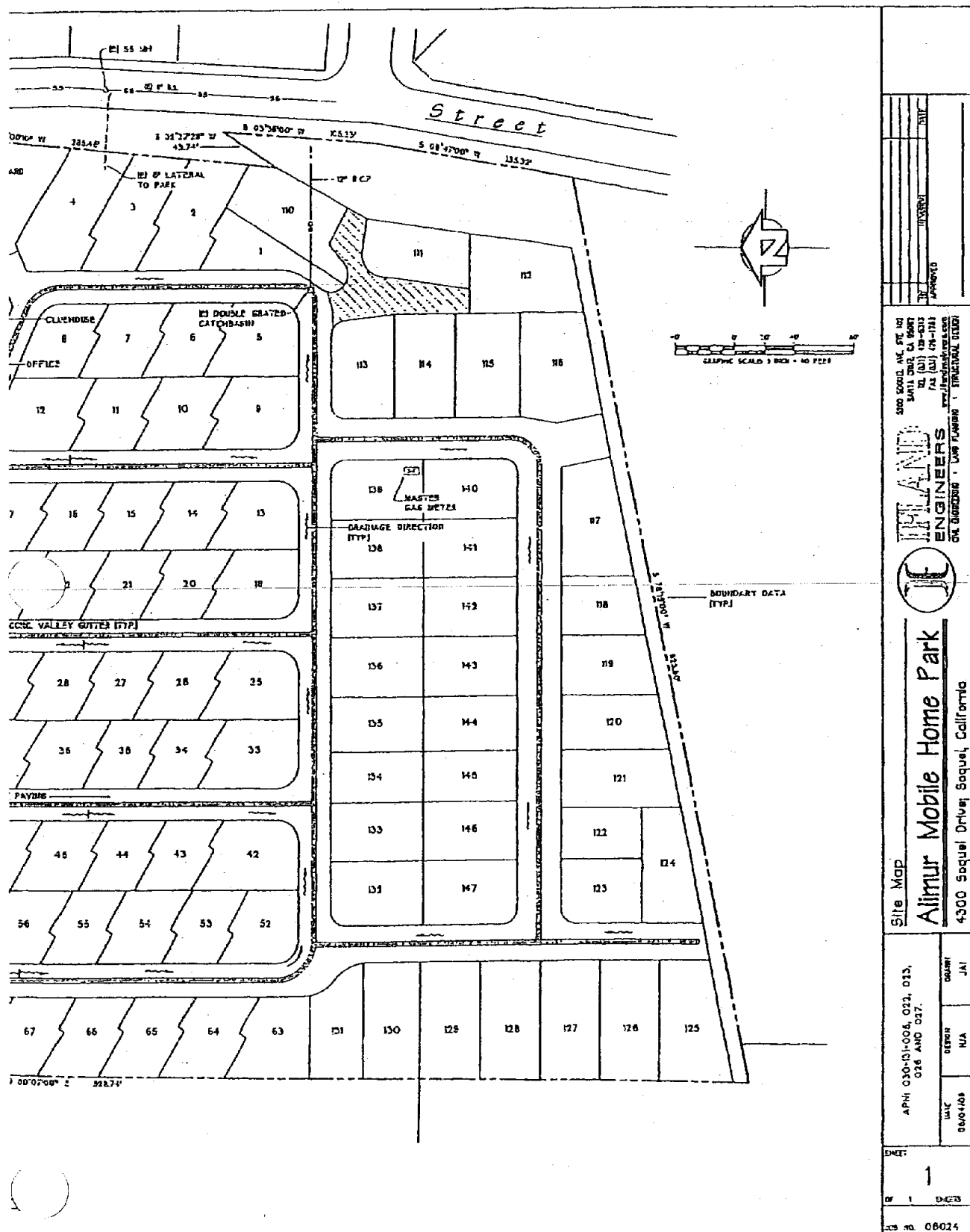
NOTE:

Since Ifland Engineers, Inc. has no control over the cost of labor, materials, or equipment, or over the contractor's methods of determining prices, or over competitive bidding or market conditions, our opinion of probable project cost or construction cost provided for herein is to be made on the basis of our experience and qualifications and represents our best judgment as design professionals familiar with the construction industry. But Ifland Engineers, Inc. cannot and does not guarantee that proposals, bids, or the construction cost will not vary from opinions of probable cost prepared by the firm.



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EXHIBIT E



EXHIBIT

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State of California

BUDGET WORKSHEET

RE 623 (Rev. 4/07)

I.D.# 62300200B017

Department of Real Estate

Budget Review

GENERAL INFORMATION

This budget is a good faith estimate from plans prior to construction and/or completion (for new projects) or from a combination of plans and/or site inspections (for existing projects). For existing projects, there may have been historical data as support for some line items, but changes to the project may make historical data not applicable or reliable. This budget was prepared for the purpose of obtaining a public report.

The association must adopt a budget in accordance with the Califor-

nia Civil Code. If that budget is less than 10% or greater than 20% from this budget, you should contact the Department of Real Estate. The association may increase or decrease its budget. It is typical for costs to increase as the project ages. The association should conduct a reserve study after its first year of operation to adjust the reserve funding plan for any changes which may have taken place during construction.

DRE FILE NUMBER (IF KNOWN)

MASTER DRE FILE #

DEPUTY ASSIGNED FILE (IF KNOWN)

SUBDIVISION IDENTIFICATION and LOCATION

NAME AND/OR TRACT NUMBER

NAME TO BE USED IN ADVERTISING (IF DIFFERENT THAN NAME OR TRACT NUMBER)

Alimur Mobile Home Park

STREET ADDRESS (IF ANY)

4300 Soquel Drive

CITY

Soquel

COUNTY

Santa Cruz

MAIN ACCESS ROAD(S)

NEAREST TOWN/CITY

MILES/DIRECTION FROM TOWN/CITY

TYPE OF SUBDIVISION

☐ Condominium

☐ Condominium Conversion

☐ Stock Cooperative

☐ Stock Cooperative Conversion

☐ Limited Equity Housing corporation

☐ Planned Development

☐ Planned Development Land Project

☒ Planned Development Mobile Home (Conversion)

☐ Community Apartment

☐ Out-of-State

☐ Undivided Interest

☐ Undivided Interest Land Project

NUMBER OF LOTS/UNITS

147

PHASE #

1

TOTAL PHASES IN PROJECT

1

PREVIOUS DRE FILE #

-

OF ACRES

11.50

BUDGET PREPARER

NAME

KenMar Consultants

ATTENTION

Debbie K. Briggs

TELEPHONE NUMBER

(760) 479-0097

ADDRESS

5966 La Place Court, Suite 170

CITY

Carlsbad

ZIP CODE

92008

Certification

I declare under penalty of perjury that the representations and answers to questions in this document and all documents submitted as a part of the homeowners budget are true and complete to the best of my knowledge and belief.

The undersigned certifies that this electronic recreation of Department of Real Estate form RE623 contains at least the same information as the DRE approved form ID #62300200B017.

SIGNATURE OF BUDGET PREPARER

Draft

REVIEWED

DATE

January-2008

IMPROVEMENTS WORKSHEET

❖ If this phase will have any line items shown on pages 3, 4, and 5 hereof exempted from payment of assessments under Regulation 2792.16(c), asterisk those items on pages 3, 4, and 5 and list any partially deferred costs on a separate sheet showing calculations and attach. All exempted improvements must be covered by reasonable arrangements for completion. Include Planned Construction Statement (RE 611A) for review.

1. Number of buildings containing residential units	147
2. Estimated completion date for the residential units included in this phase	1963
3. Estimated completion date for the common area and facilities included in this phase	1963
4. Type of residential building for this project (i.e., highrise, cluster, garden, etc.)	Mobile Home
5. Type of construction for these buildings (i.e. steel, concrete, wood frame, etc.)	n/a
6. Type of roof (i.e. shake, concrete tile, etc.)	Composite Shingle
7. Type of paving used in the project	Asphalt
8. Type of exterior wall for residential buildings	n/a
9. Number of residential units per building	One
10. Number of floors per building	n/a
11. Number of bedrooms per unit	n/a
12. SF of units (list number and size of each unit type)	n/a
13. Type of parking facilities and number of spaces (i.e. detached garage, tuck-under, subterranean, carport, open, etc.)	Open

Complete 14 and 15 for Phased Condominiums Only

14. Have you submitted budgets for all phases to be completed within the next three calendar years and a built-out budget? ☐ Yes ☐ No

15. If this condominium project involves phasing with a single lot, submit a budget for *each* phase plus a budget which will be used *if* future phases are not completed. (Commonly referred to as a *worst case budget*.) n/a

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EXHIBIT E
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E 623

BUDGET SUMMARY

PHASE NUMBER 1	DATE OF BUDGET January-2008	DRE FILE NUMBER
NUMBER OF UNITS 147	TRACT NUMBER/NAME OF PROJECT Alimur Mobile Home Park	

		Per Unit Per Mo.	Total Monthly	Total Annual
100 FIXED COSTS			-- segregated --	
	101. Property Taxes	\$0.03	\$4.17	\$50
	102. Corporation Franchise Taxes	\$2.97	\$436.25	\$5,235
	103. Insurance (attach proposal)	\$0.17	\$25.00	\$300
	104. Local License & Inspection Fees	\$0.44	\$64.58	\$775
	105. Estimated Income Taxes			
	100 - Sub Total	\$3.61	\$530.00	\$6,360
200 OPERATING COSTS	201. Electricity (attach work sheet)	\$3.63	\$534.00	\$6,408
	Lighting: Leased			
	202. Gas (attach work sheet)	\$36.39	\$5,350.00	\$64,200
	203. Water (attach work sheet)	\$25.24	\$3,710.00	\$44,520
	204. Sewer/Septic Tanks (include if not in 203)			
	Water retention Basins (include if not in 203)	\$1.02	\$150.00	\$1,800
	205. Cable TV (Cabana & Clubhouse)	\$6.80	\$1,000.00	\$12,000
	207. Custodial Area (Cabana & Clubhouse)	\$0.68	\$100.00	\$1,200
	207a. Custodial Supplies	\$8.99	\$1,321.91	\$15,863
	208. Landscape Area: (See page 15.)	\$0.19	\$27.77	\$333
	208a. Landscape Supplies			
	209. Refuse Disposal			
	Vendor Name: 1 1-yd bin 1 x week Green Waste			
	Telephone Number: (800) 944-4388	\$0.64	\$94.67	\$1,136
	210. Elevators			
	Number/Type:			
	211. Private Streets, Driveways, Parking Areas	\$0.24	\$35.67	\$428
	Area: 126,122 ft	\$0.27	\$40.00	\$480
	212. Heating & Air Conditioning Maintenance			
	213. Swimming Pool			
	Number 1 Size: 1,500 Mths. Heated: 6	\$2.04	\$300.00	\$3,600
	Spa			
	Number Size:	\$0.20	\$30.00	\$360
	213a. Swimming Pool Supplies			
	214. Tennis Court			
	Number:			

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EXHIBIT E

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		Per Unit Per Mo.	Total Monthly	Total Annual
200 OPERATING COSTS	215. Access Control			
	Guard hours per day:			
	Number of motorized gates:			
	No. of Intercoms/Tel Entry:			
	216. Reserve Study	\$0.45	\$66.67	\$800
	217. Miscellaneous			
	Minor Repairs	\$5.00	\$735.00	\$8,820
	Pest Control	\$2.00	\$294.00	\$3,528
	Common Area Inspections	\$0.57	\$83.33	\$1,000
	Solar Heater Maintenance	\$0.14	\$20.67	\$248
	Fire Hydrant Testing	\$0.60	\$87.58	\$1,051
	State Sub-meter fees	\$0.40	\$59.00	\$708
300 RESERVE	Telephone	\$0.31	\$45.33	\$544
	On-Site Staff	\$22.90	\$3,366.42	\$40,397
	218. Fire Sprinklers, Fire Alarms & Fire Extinguishers	\$0.10	\$15.08	\$181
	200 - Sub Total	\$118.70	\$17,452.02	\$209,424
	301-313 (attach reserve work sheet)			
	300 - Sub Total	\$27.45	\$4,035.00	\$48,420
400 ADMINISTRATION	401. Management ①	\$20.00	\$2,940.00	\$35,280
	402. Legal Services	\$4.17	\$612.50	\$7,350
	403. Accounting	\$1.25	\$183.75	\$2,205
	404. Education	\$2.83	\$416.67	\$5,000
	405. Miscellaneous, office expense	\$4.00	\$588.00	\$7,056
	400 - Sub Total	\$32.25	\$4,740.92	\$56,891
TOTAL (100-400)		\$182.01	\$26,757.93	\$321,095
500 CONTINGENCY	501. New Construction			
	502. Conversions 5.42%	\$9.87	\$1,451.10	\$17,413
	503. Revenue Offsets (Water Sub-metering - 95% reimburse)	(\$20.88)	(\$3,068.98)	(\$36,828)
	Revenue Offsets (Gas Sub-metering - 95% reimburse)	(\$23.75)	(\$3,491.25)	(\$41,895)
	TOTAL BUDGET	\$147.25	\$21,648.81	\$259,785

❖ DRE regulations allow the use of variable assessments against units only if one unit will derive as much as 10 percent more than another unit in the value of common goods and services supplied by the association.

After determining the percent of benefit derived from services provided (page 14) by the association, an easy chart to follow would be:

Less than 10% equal assessments
 from 10% to 20% variable or equal
 Over 20% variable assessments

❖ The inventory and quantities used in the preparation of this budget are normally derived from plans completed prior to construction and may vary slightly from actual field conditions. The calculated budget is a good faith estimate of the projected costs and should be deemed reliable for no more than one year. The Board of Directors should conduct an annual review of the Association's actual costs and revise the budget accordingly.

① Depending upon the level of service selected by the Association, the amount shown may be insufficient to cover the cost and may be higher.

The budget and management documents indicate (check appropriate box):

☒ equal assessments

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EXHIBIT E

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RESERVES WORKSHEET

ORE FILE NUMBER			TRACT NUMBER			
Item	(1) <input type="checkbox"/> Sq.Ft. or Number	(2) <input type="checkbox"/> Unit Cost HOA Manual	(3) <input type="checkbox"/> Replacement Cost	(4) <input type="checkbox"/> Remaining Life	Yearly Reserve Columns 1x2 or 3+4	Cost per Unit per Month
Paint	9,496	\$0.13			\$1,206	\$0.68
Composite Shingle Roof	2,073	\$0.31			\$652	\$0.37
Roof Gutters	1	\$8.75			\$9	\$0.01
Sub-meters (water)	147	\$30			\$4,410	\$2.50
Sub-meters (gas)	147	\$30			\$4,410	\$2.50
Water Heaters	2	\$74			\$148	\$0.08
Street Lights	41	\$18			\$748	\$0.42
Exterior Lights	29	\$9.53			\$276	\$0.16
Interior Lights	25	\$1.67			\$42	\$0.02
Clubhouse/Billiard Furnishings	2	\$803			\$1,606	\$0.91
Flagstone	2,216	\$0.34			\$742	\$0.42
Linoleum	728	\$0.41			\$299	\$0.17
Carpet	459	\$0.69			\$319	\$0.18
Streets & Drives	126,122	\$0.14			\$17,632	\$10.00
Concrete Swale	12,681	\$0.38			\$4,791	\$2.72
Heat & Cooling	2	\$127			\$253	\$0.14
Pool Re-plaster	1	\$375			\$375	\$0.21
Pool Heater	1	\$204			\$204	\$0.12
Pool Filter	1	\$287			\$287	\$0.16
Solar Heat System	1	\$682			\$682	\$0.39
Access Systems	2	\$62			\$124	\$0.07
Washers/Dryers	1	\$1,240			\$1,240	\$0.70
Doors	6	\$32			\$193	\$0.11
Pool Pumps	1	\$96			\$96	\$0.05
Laundry Fixtures	1	\$68			\$68	\$0.04
Fences (paint/stain)	756	\$0.18			\$137	\$0.08
Fences (repair/replace)	1,240	\$5.33			\$6,611	\$3.75
Chainlink (repair/replace)	335	\$0.70			\$235	\$0.13
Tubular Steel (repair/replace)	105	\$2.09			\$219	\$0.12
Tubular Steel (paint)	1,500	\$0.04			\$62	\$0.04
Signage	22	\$16			\$344	\$0.20
TOTAL RESERVE					\$48,420	\$27.45

☐ Use either Columns 1 and 2 or 3 and 4, but not both for a particular item.

Note: For space purposes, we have included only the components most frequently found in common-interest subdivisions.

Reserve items should not be limited to the list above, but be tailored to your particular project.

EXHIBIT

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GENERAL PROJECT INVENTORY

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- ❖ Complete schedules 1 through 6 below, then transfer the totals to Site Summary area.
 - ❖ Frequently several buildings will be repeated in a subdivision. These may be combined on one line.
- Wherever additional space is required attach computations on a separate sheet.

SITE SUMMARY - TOTAL SUBDIVISION AREA			
11.50	acres x 43,560 =	500,940	Total square feet.
1. Building(s) footprint		_____	sq. ft.
2. Garages or carports		_____	sq. ft.
3. Recreational facilities		_____	sq. ft.
4. Paved surfaces		_____	sq. ft.
5. Restricted common areas		_____	sq. ft.
6. Other (describe)		_____	sq. ft.
Sub Total (1-6)		_____	sq. ft.
		Total sq.ft. (from above)	500,940 sq. ft.
		Subtract Sub Total (1-6)	_____ sq. ft.
		Remainder = landscaped area	5,553 sq. ft.

INDIVIDUAL SUMMARY SCHEDULES

1. Buildings Containing Units

Building ID	Length (ft)	x	Width (ft)	=	Area of Each Bldg.	x	No. of Buildings	=	Total Area Square Feet
		x		=		x		=	
		x		=		x		=	
		x		=		x		=	
Total for Summary Item 1 above									

2. Multiple Detached Garages and Carports

x	=	x	=
x	=	x	=
x	=	x	=
x	=	x	=
x	=	x	=
x	=	x	=
x	=	x	=
Total for Summary Item 2 above			

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EXHIBIT E

3. Recreational Facilities

Total Area

0519

a. Recreation Room, Clubhouse, Lanai, or other

Item	Quantity		Item SF		
Clubhouse	1	x	1,116	=	1,116 sq.ft.
Billiard/Laundry	1	x	630	=	630 sq.ft.

b. Swimming Pools

Number: 1
Size: 1,500 1,500 sq.ft.

Number: _____
Size: _____ sq.ft.

c. Spas

Number: _____
Size: _____ sq.ft.

Number: _____
Size: _____ sq.ft.

d. Shuffleboard

Number: 1
Size: 700
Surface Type: concrete 700 sq.ft.

e. Playground

Number: _____
Size: _____
Surface Type: _____ sq.ft.

Total for Summary Item 3 above 3,946 sq.ft.

4. Paved Areas (streets, parking, walkways, etc.)

Streets & Drives	126,122	Paving Material Asphalt
------------------	---------	----------------------------

Total for Summary Item 4 above 126,122 sq.ft.

5. Restricted Common Areas Use (patio, etc.) Describe and attach calculations

Total for Summary Item 5 above _____ sq.ft.

6. Other - Describe and attach calculations

Total for Summary Item 6 above _____ sq.ft.

ROOF RESERVE WORKSHEET

(See page 15.)

Building 0	Flat Roofed Area Built-up w/crushed tile	Shingled Area Composite	Cement/Spanish Tile or Wood Shake Area
Clubhouse		1,116	
Billiard/Laundry		630	
Totals		1,746	
Modifications	Overhang	106%	106%
	Slope	112%	112%
Grand Totals		2,073	

Roof Pitch Table

Pitch	Rise	Multiplier
One eighth	3" in 12"	1.03
One sixth	4" in 12"	1.06
Five 24ths	5" in 12"	1.08
One quarter	6" in 12"	1.12
One third	8" in 12"	1.20
One Half	12" in 12"	1.42
Five eighths	15" in 12"	1.60
Three quarters	18" in 12"	1.80

Take areas of all buildings listed in Sections 1, 2, and 3a. Add 6% (a 1.06 multiplier) for each foot of roof overhang. In addition, adjust for roof pitch based upon the table above. The table converts horizontal area to roof area.

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PAINTING WORKSHEET

EXTERIOR

Exterior painting area is determined by measuring the structure to find the perimeter (total distance around) and multiplying that by 10 for each story. Use a separate line for each story if the configuration of the building changes from story to story (for wood siding see Item 301 in the Cost Manual).

• Buildings (include garages, recreation buildings)

Buildings	Perimeter	x	10 ft.	x	No. of Stories	x	No. of Bldg. (if identical)	=	Total Area
Clubhouse	301	x	10 ft.	x	1	x	1	=	3,008
Billiard/Laundry	269	x	10 ft.	x	1	x	1	=	2,688
		x	10 ft.	x		x		=	
		x	10 ft.	x		x		=	
		x	10 ft.	x		x		=	
Total building paint area									5,696

• Walls

	Linear Feet	x	Height	x	20	=	Total Area
		x		x		=	
		x		x		=	
		x		x		=	
		x		x		=	
Total wall paint area							
Total exterior paint area							5,696

INTERIOR

Interior painting reserve is determined by measuring the room perimeter and multiplying by 8' and adding ceiling area.

Room/Type Description	Walls Perimeter	x	8 ft.	=	Wall Area	+	Ceiling Area	=	Total Area
Clubhouse	141	x	8 ft.	=	1,129	+	971	=	2,100
Billiard/Laundry	134	x	8 ft.	=	1,070	+	630	=	1,700
Total Interior Paint Area									3,800

TOTAL EXTERIOR AND INTERIOR 9,496

FENCES

Fence requiring paint or stain (see Item 312 in manual for wood and wrought iron)

Compute separately using higher cost -- put on separate line on page 5 of the Reserve Worksheet.

Fence	Linear Feet	x	Height	x	20	=	Total Area
Fences	336	x	1	x	1	=	336
Fences	105	x	4	x	1	=	420
Tubular Steel	125	x	6	x	2	=	1,500
Total fence paint area							2,256

• Always multiply by 2 to cover the area for both sides of the wall or fence. If the wall or fence will be painted or stained on one side only, adjust your calculation and make appropriate notation on the worksheet.

ELECTRICAL ENERGY CONSUMPTION WORKSHEET

A. Lights (see Note ①) KWH per month
(number of lights x average watts per light x average number of hours in use per day x .03 = KWH per month)

1. Interior Lights (hallways, lobbies, garage, stairwells, etc.)
 25 x 60 x 12 x 0.03 = 540

2. Street lights
 41 x 150 x 12 x 0.03 = 2,214

3. Outdoor and walkway lights
 29 x 50 x 12 x 0.03 = 522

4. Landscape lights
 x x x 0.03 =

B. Elevators (number of cabs x number of floor stops x 167 KWH = KWH per month)
 x x 167 KWH =

C. Tennis Court Lights (number of courts x 1000 KWH = KWH per month)
 x 1,000 KWH =

D. Electric Heating
(.025 KWH x sq.ft. heated for warm climates / .065 KWH x sq.ft. heated for cold climates)
 x 1,000 KWH =

E. Hot Water Heating (number of 40 gallon tanks x 320 KWH = KWH per month)
 x 320 KWH =

F. Air Conditioning (number of sq.ft. cooled x .34 KWH = KWH per month)
 1,746 x 0.34 KWH = 594

G. Electrical Motors (see Notes ② and ③)
(horsepower x watts x hours of use per day x .03 x % of year in use = KWH per month)

2 Pool Filter 2 x 746 x 12 x .03 x 100% = 1,074
 Spa Filter x x x .03 x =
 Spa Blower x x x .03 x =
 Fountain Pump x x x .03 x =

H. Pool/Spa Heating
(Number of heaters x KWH rating x hours of daily use x 30 days = KWH per month)
 x x x 30 days =

TOTAL KWH PER MONTH 4,943

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EXHIBIT E

1. Total Monthly Cost

(total KWH per month x rate per KWH = total cost)

•	<u>4,943</u>	x	<u>\$0.11</u>	=	<u>\$519.05</u>
•	Monthly common meter charge			=	<u>\$15.00</u>
	<i>Total Monthly Cost</i>			=	<u>\$534.05</u>

Utility Company Name:

PG&E

Telephone Number:

(800) 743-5000*Notes*

- ❶ Do not include leased lights. Instead use lease agreement with rate schedule with budget work sheet. Put monthly charge into Item 201 leased lights. Use a minimum of 10 hours per day average usage for exterior lighting.
- ❷ Motors are found in swimming pool pumping systems, circulating hot water systems, ventilation systems in subterranean garages, security gates, interior hallways, and interior stairwells and also in private water systems and fountains. (Hours of use for pool pumps - see Item 201 in the Cost Manual.)
- ❸ Normally 1,000 watts per horsepower should be used. Check plate on motor or manufacturer's specifications. If wattage is not listed, it can be calculated by multiplying amps x volts.

EXHIBIT E

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GAS CONSUMPTION WORKSHEET

1. Water Heaters

Therms

(number of dwelling units on association meters + Cabana's + outdoor showers
+ Clubhouse = number units x 20 Therms = Therms per month)

147	+		+		+		=	147	x 20 Therms =	2,940
	+	1	+	1	+		=	2	x 20 Therms =	40

2. Pool (see Note 0)

(BTU rating x hours of daily use x .0003 x % of year in use = Therms)

Pool #1	:	400,000	x	12	x	.0003	x	50%	=	720
Pool #2	:		x		x	.0003	x		=	

3. Spas

(Number of spas (by size) x therm range = Therms used)

Spa #1 (10')	:		x		x	350 Therms	=	
Spa #2 (10')	:		x		x	350 Therms	=	

4. Central Heating

(BTU rating x hours of daily use x .0003 x % of year in use = Therms)

Laundry	:	100,000	x	8	x	.0003	x	50%	=	120
Clubhouse	:	100,000	x	8	x	.0003	x	50%	=	120

5. Other

(number of gas barbecues, fireplaces, etc.) x 5 = Therms

147	x	5	=	735
-----	---	---	---	-----

Total Therms 4,675

(therms x rate = monthly charge)

4,675	x	\$1.14	=	\$5,330
	x		=	
	x		=	

Meter Charge \$20

Total Monthly Cost \$5,350

Utility Company Name:

PG&E

Telephone Number:

(800) 743-5000

0 The presumption is a recreation pool with heating equipment will be used all year or 100%. For very hot or cold climates where a heater will not or cannot be used all year, a 70% usage should suffice. Less than 70% usage will require a Special Note in the Subdivision Public Report.

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EXHIBIT

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WATER AND SEWER WORKSHEET

A. Domestic (use only if units are billed thru association)

Water Cost

(number of units [include rec. rooms] x rate/100 CF x 10 = Water Cost)

147	x	\$1.91	x	10	=	\$2,807.70
2	x	\$1.91	x	10	=	\$38.20

B. Irrigation (see Note ①) (landscape area x rate/100 CF x .0033 = Water Cost)

11,106	x	\$1.91	x	.0033	=	\$70.00
--------	---	--------	---	-------	---	---------

C. Sewers (see Note ②) (Charge per unit per month x number of units = Sewer Cost)
(Sewer Charge Included with Property Tax Bills)

1	x	\$33.20	=	\$33.20
---	---	---------	---	---------

or alternate calculation (% of A and B, etc.)

(A) x	%	
-------	---	--

D. Meter Charge (count x charge/meter = Charge per Month)

Irrigation Meters

1 (2") x	\$338.24 /meter =	Charge per month:	\$338.24
----------	-------------------	-------------------	----------

Residential Meters

2 (1.5") x	\$211.40 /meter =	Charge per month:	\$422.80
------------	-------------------	-------------------	----------

MONTHLY WATER COST: \$3,710.14

Utility Company Name:

Santa Cruz Municipal Utilities

Telephone Number:

(831) 420-5220

Notes

① Average usage is four acre-feet of water per acre of landscaping per year. This formula is based on four acre-feet of usage. Some areas like the low desert will require 8 to 12 acre-feet per acre of landscaping per year and the "B" figure should be adjusted accordingly. (Example: 4 x figure for B = 12 acre-feet)

② If some other method of billing is used for the sewage charge and/or this will not be a common expense, provide a letter from the sanitation district and/or water company (whichever applicable) which so states.

PRORATION SCHEDULE WORKSHEET

Section I Variable Assessment Computation

A. Variable Costs Description Monthly Cost

1. Insurance _____
2. Domestic Gas (if common) _____
3. Domestic Water (if common) _____
4. Paint _____
5. Roof _____
6. Hot Water Heater (if common) _____
7. Other _____

Total Variable Cost _____

B. Total livable square footage of all units from condominium plan: _____

C. Variable Factor (variable monthly costs ÷ square footage = variable factor) _____

Multiply this factor by each unit size below in Section III.

Section II Equal Assessment Computation

A. Total Monthly Budget: _____

Less Variable Costs: _____

Total Monthly Equal Costs: _____

B. Monthly Base Assessment: _____

(total monthly cost ÷ number of units = monthly base assessment)

Section III Assessment Schedule

Unit	Unit Size	x	Variable Factor	=	Variable Assessment	+	Base Assessment	=	Total Monthly Assessment	Unit Count	Total Monthly Budget *
_____	_____	x	_____	=	_____	+	_____	=	_____	_____	_____
_____	_____	x	_____	=	_____	+	_____	=	_____	_____	_____
_____	_____	x	_____	=	_____	+	_____	=	_____	_____	_____
_____	_____	x	_____	=	_____	+	_____	=	_____	_____	_____
_____	_____	x	_____	=	_____	+	_____	=	_____	_____	_____
_____	_____	x	_____	=	_____	+	_____	=	_____	_____	_____
_____	_____	x	_____	=	_____	+	_____	=	_____	_____	_____
_____	_____	x	_____	=	_____	+	_____	=	_____	_____	_____
VERIFICATION OF COMPUTATIONS									Total Monthly Budget (Section III)	_____	_____
									Total Monthly Budget (Section IIA)	_____	_____

* Total Assessment x number of units of each type.

Section IV Variable Assessments

Highest Assessment	Lowest Assessment	÷	Lowest Assessment	=	% Differential
_____	_____	÷	_____	=	_____

SUPPLEMENTAL WORKSHEET

LANDSCAPE

A. Complete chart and transfer "total landscape costs per year" to line #208 on page 3 (cumulative per phase).

Type	Percent	Area	Annual Cost per S.F.	Total Cost per type
Ground Cover	50.0%	5,553	\$2.75	\$15,271
Slopes				
Landscape Replacement		5,553	\$0.03	\$167
Tree Trimming				\$425
Total	50.0%	11,106		
TOTAL LANDSCAPE COST PER YEAR				\$15,863

B. Please provide information regarding water requirements of drought resistant plants/areas, if any. Indicate as a percentage of normal or standard watering requirements and provide source of information.

ROOF

A. If there is only one type of roof, with a constant slope factor across all roof surfaces, the following chart may not need to be completed. When this chart is completed, transfer total to roof line item on page 5.

Building	Type of Roof	Width of Overhang	Quantity (incl. overhang)	Pitch Multiplier	Adjusted S.F.	Annual Cost per S.F.	Total Annual Cost
			X	=	X	=	
			X	=	X	=	
			X	=	X	=	
			X	=	X	=	
			X	=	X	=	
TOTAL ROOF COST PER YEAR							

B. If a mansard will be/is constructed please provide the measurements and type of material to be used.

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Aged Reserve Worksheet

Year Built		1983		DRE File Number		Phase 1		Estimated Close January-08		Allmur Mobile Home Park									
Reserve Contribution:				\$506,421															
Item Description		Sq. Ft. or Number		Unit Cost HOA Manual		Estimated Life		Replacement Cost		Date Last Replaced 01/01/yyyy		Yearly Reserve Amount		Life Remaining		Estimated Years Life Used		Amt to be Funded by Developer	
Paint		7,396		\$0.13		4		\$3,758		2004		\$940		0		4		\$3,758	
Paint		2,100		\$0.13		6		\$1,601		2005		\$267		3		3		\$800	
Composite Shingle Roof		2,073		\$0.31		25		\$18,294		2007		\$952		24		1		\$852	
Roof Gutters		1		\$8.75		30		\$263		1978		\$9		0		30		\$263	
Water Heaters		2		\$74.05		10		\$1,481		2004		\$148		6		4		\$593	
Street Lights		6		\$18.25		20		\$2,190		1988		\$109		0		20		\$2,190	
Street Lights		20		\$18.25		20		\$7,299		1986		\$365		8		12		\$4,382	
Street Lights		15		\$18.25		20		\$5,474		2004		\$274		16		4		\$1,086	
Exterior Lights		13		\$9.12		20		\$2,372		1995		\$119		7		13		\$1,543	
Exterior Lights		14		\$9.12		20		\$2,555		2000		\$128		12		8		\$1,023	
Exterior Lights		2		\$15.06		15		\$452		1997		\$30		4		11		\$331	
Interior Lights		25		\$1.67		24		\$1,003		1996		\$42		12		12		\$502	
Billiard Tables		2		\$109.00		20		\$4,360		1998		\$218		10		10		\$2,181	
Ping Pong Table		1		\$45.61		8		\$365		2004		\$46		4		4		\$183	
Furnishings		1		\$937.98		10		\$9,380		2001		\$938		3		7		\$6,568	
Kitchen appliances		1		\$311.66		12		\$3,740		2000		\$312		4		8		\$2,495	
Kitchen cabinets		1		\$92.05		24		\$2,209		1988		\$92		4		20		\$1,842	
Flagstone		2,216		\$0.34		24		\$7,817		1992		\$742		8		16		\$11,886	
Linoleum		728		\$0.41		16		\$4,780		1997		\$299		5		11		\$3,288	
Carpet		459		\$0.69		8		\$2,551		2001		\$319		1		7		\$2,233	
Repair/overlay/R&R		26,122		\$0.09		24		\$59,220		1984		\$2,467		0		24		\$59,220	
Repair/overlay/R&R		50,000		\$0.09		24		\$143,352		1990		\$4,723		6		18		\$85,066	
Repair/overlay/R&R		50,000		\$0.09		24		\$143,352		1986		\$4,723		12		12		\$56,715	
Seal/stripe/repair		126,122		\$0.05		4		\$22,873		2005		\$5,718		1		3		\$17,155	
Concrete Swale		6,681		\$0.38		24		\$60,580		1984		\$2,524		0		24		\$60,580	
Concrete Swale		6,000		\$0.38		24		\$54,405		1990		\$2,267		6		18		\$40,828	
Heat & Cooling		1		\$57.92		15		\$869		1988		\$58		6		9		\$522	
Heat & Cooling		1		\$195.10		16		\$3,121		2002		\$195		10		6		\$1,171	
Pool Re-plaster		1		\$375.32		12		\$4,504		2000		\$375		4		8		\$3,005	

- The developer is going to replace with new.
- The developer is going to fund the reserves for the life used.
- Something life is calculated by either the manufacture's date of production minus this year's date, or DRE guidelines.

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0531

April 21 2008

Information Bulletin 2008 – 10 (MP)

TO: Local Government Planning Agencies
Local Building Officials
Mobilehome Park Operators and Residents
Mobilehome Park Interested Parties
Division Staff

SUBJECT: VALIDITY OF LOCAL ORDINANCES RELATING TO INSTALLATION OF NEW
MANUFACTURED HOMES AND/OR SALE OR CONVERSION OF
MOBILEHOME PARKS

A number of local governments are enacting or enforcing ordinances relative to the physical operation and condition of mobilehome parks and recreational vehicle parks that are in conflict with the preemptive nature of the Mobilehome Parks Act ("MPA"), found in Health & Safety Code [H&SC] sections 18200, et seq., and the Special Occupancy Parks Act ("SOPA"), found in H&SC sections 18665, et seq.. Throughout this memorandum, there are references to "manufactured homes", "mobilehome parks" and "the Mobilehome Parks Act"; however, unless otherwise noted, the same issues and rules apply to recreational vehicles or park model trailers, recreational vehicle parks, and the Special Occupancy Parks Act.

This memorandum's purpose is to provide information and clarification for local government officials and those involved with mobilehome parks and manufactured home installations or sales that state law restricts local government authority attempting to regulate the physical structure and operation of mobilehome parks—whether privately-owned, resident-owned, or in the process of conversion. For example, local ordinances which impose inspection, lot standards, or infrastructure requirements within a mobilehome park at the time of home installation, conversion, or sale generally are expressly and/or impliedly preempted by the MPA, and the only valid authority for imposing and enforcing these requirements is the California Department of Housing and Community Development ("HCD") or local enforcement agencies that have assumed jurisdiction to enforce the MPA.

Statutory Provisions Governing Preemption

California courts have established guidelines for when local ordinances are preempted by state law. The general rule is that, if an otherwise valid local ordinance conflicts with preemptive state law, it is invalid. A "conflict" exists if an ordinance "duplicates, contradicts, or enters an area fully occupied by state law, either expressly or by implication". In addition, preemption is implied if the area is so fully covered by state law as to indicate it is exclusively a matter of state concern; it is partially covered by state law but the state coverage indicates that a paramount state concern will not allow additional

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EXHIBIT B

local action; or there is partial state coverage but the adverse effect of a local ordinance on state residents outweighs the possible benefit to the locality.

The MPA contains an express preemption, with minimal express authority for local ordinances. In addition, the Legislature's findings support its intent to allow only very restrictive authority for local government action within the boundaries of a mobilehome park. In the MPA, subdivision (a) of H&SC section 18300 provides that "the MPA and HCD regulations apply to all parts of the state and supersede any ordinance enacted by any city, county, or city and county, whether general law or chartered, affecting parks." Subdivision (g) and (h) of section 18300 provide the limited specific exceptions to the general state preemption, stating that the MPA does not preclude local governments, within the reasonable exercise of their police powers, from doing any of the following:

- Enacting certain zones for mobilehome parks within the jurisdiction, or establishing types of uses and locations such as senior mobilehome parks, mobilehome condominiums, or mobilehome subdivisions within the jurisdiction. [subdivision (g)(1)]
- Adopting ordinances, rules, regulations or resolutions prescribing park perimeter walls or enclosures on public street frontage, signs, access, and vehicle parking; or prescribing the prohibition of certain uses for mobilehome parks. [subdivision (g)(1), emphasis added]
- Regulating the construction and use of equipment and facilities located outside of a manufactured home or mobilehome used to supply gas, water, or electricity thereto or to dispose of sewage when the facilities are located outside a park. [subdivision (g)(2), emphasis added].
- Requiring a permit to use a manufactured home or mobilehome outside a park which permit may be refused or revoked if the use violates the MPA or the Manufactured Housing Act. [subdivision (g)(3), emphasis added.]
- Requiring a local building permit to construct an accessory structure for a manufactured home or mobilehome when the manufactured home or mobilehome is located outside a mobilehome park. [subdivision (g)(4), emphasis added]
- Prescribing and enforcing setback and separation requirements governing manufactured home, mobilehome, or mobilehome accessory structure or building installation outside of a mobilehome park. [subdivision (g)(5), emphasis added]

Other provisions directly addressing preemptive authority include H&SC sections 18253, 18400.1, 18605, 18610, and 25 CA Code of Regulations (CCR), section 1000.

Permissible Local Government Regulation and Standards

Local governments do have some authority to regulate certain physical components in a mobilehome park. Also, pursuant to subdivision (b) of H&SC section 18300, they may assume MPA enforcement authority and become a "local enforcement agency" ("LEA"), rather than relying on HCD inspectors.

As stated above, subdivision (g) of H&SC section 18300 provides express authority for local governments, within the reasonable exercise of police powers, to adopt zoning ordinances to

allow or prohibit parks and certain park uses, and for park perimeter walls or enclosures on public street frontage, signs, access, and vehicle parking. Also, subdivision (h) of that section allows local governments, within specified parameters, to establish new park density, to require recreational facilities, and to require setback and separation requirements for manufactured housing outside of parks, but no greater than those permitted by applicable ordinances for other affordable housing forms.

H&SC section 18691, subdivision (b), permits a local government that is the MPA enforcement agency to enforce within parks its own fire code that imposes standards equal to or greater than the restrictions in the California Building Standards Code ("CBSC") and other state requirements. In addition, a local government which is not a local enforcement agency may assume fire prevention authority and impose certain portions of its fire code within a park.

Subdivision (e) of H&SC section 18501 and Title 25 CCR, section 1032, permit a local government to approve or deny approval for any construction permit to build or increase the size of a park or to add multifamily manufactured housing based on "compliance with all valid local planning health, utility and fire requirements". (H&SC §18501, emphasis added). The use of the word "valid" implicitly excludes requirements preempted by the MPA, allowing, for example, flood plain ordinance compliance, the minimum size of a park's land parcel, whether a septic system sewer hook-up is required, where and whether off-site drainage is permitted, and/or the number and spacing of fire hydrants.

Local Ordinance Provisions Which Are Preempted

General Background

In implementing the Legislature's comprehensive statewide program to establish and enforce park standards for construction, maintenance, repairs, and occupancy, the Department's statutory and regulatory standards impose standards for virtually every aspect of a park's or a manufactured home's physical conditions, except for those expressly left to local government action in subdivision (h) of H&SC section 18300.

With respect to construction of a new or expanded park, or installation of multifamily manufactured housing, HCD regulations require evidence of local approvals from the local planning agency; the health, fire, and public works departments; the agency responsible for flood control; the serving utilities; and any other state or federal agency or special district that has jurisdiction and would be impacted by the proposed construction. (25 CCR §§1020.6, 1032). Similarly, HCD or the LEA may require local approvals for construction of a permanent building under the ownership or control of the park within a park if that installation may impact local services. Most other types of construction, replacements, installations, and alterations require an MPA enforcement agency permit and inspections (25 CCR § 1018), but no local approvals.

HCD regulations govern both park construction and manufactured home installation standards and procedures. Generally, the regulations require that a home and other structures on a park lot use not more than 75% of the lot space (25 CCR §1110) and that the home and structures have specified set-backs and separations from lot lines and structures

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EXHIBIT

(25 CCR §1330). In addition, a "manufactured home" is a specific preemptive definition in H&SC section 18007 and a recreational vehicle (including a park model) is a specifically defined term in H&SC section 18010. As a result, a local government cannot impose restrictions on the minimum or maximum size of a manufactured home to be installed on a mobilehome park lot (ordinance precluding two-story manufactured homes found invalid in *County of Santa Cruz v. Waterhouse* (2005) 127 Cal.App.4th, 1483, 26 Cal.Rptr 3d 543) or whether a park model or recreational vehicle can be installed on a recreational vehicle lot.

Examples of Preempted Ordinance Provisions

The following italicized sentences are examples of local ordinances that have been brought to HCD's attention and that area preempted by state laws and regulations.

"If there has been no Title 25 inspection within 3 years, one must be obtained". H&SC sections 18605 and 18610 provide that HCD's rules govern park maintenance and operation. No express or implied exception exists in H&SC section 18300 permitting local governments to impose inspection requirements related to park maintenance.

"The Park owner shall provide a list of all Title 25 deficiencies found on inspection and evidence that all deficiencies have been corrected." Pursuant to H&SC sections 18605 and 18610, HCD's rules govern park maintenance and operation. Pursuant to the preemptive restrictions in H&SC section 18300, no express or implied exception exists permitting local governments to impose enforcement requirements related to park maintenance. In addition, the MPA does not require correction of all deficiencies:

- The MPA expressly permits extended periods for repairs to achieve correction of deficiencies. H&SC section 18420, subdivision (c)(4), permits the enforcement agency to defer repair requirements as long as there is a "valid reason why a violation has not been corrected, including, but not limited to, weather conditions, illness, availability of repair persons, or availability of financial resources...."

- The MPA permits an inspector to not cite a violation of the MPA if it is not an imminent hazard. (subdivision (d) of H&SC section 18420)

"Written documentation from HCD shall be obtained demonstrating that the park complies with all applicable Title 25 requirements." The MPA governs performance of inspections and issuance of reports of violations or corrections and does not require HCD or an LEA to perform inspections to ensure compliance with "all applicable" Title 25 requirements. A "complaint inspection" involves resolution of a specific complaint. A "park maintenance inspection" involves identification and resolution of only hazards which are either an immediate risk to life, health, and safety, requiring immediate correction; or those constituting unreasonable risks to life, health or safety, requiring correction with 60 days (H&SC §18400.3). No other violations of Title 25 are recorded.

"Proof of remediation of any Title 25 violations shall be confirmed in writing by the California Department of Housing and Community Development." In addition to the obvious issue that a local government cannot require HCD to perform any duties related to parks, HCD does not have enforcement responsibility for many of the state's parks and therefore has no information regarding any identified violations or proposed or completed remedies in those parks subject to LEA enforcement.

"Prior to installation of a new home on an existing lot, there shall be two covered and paved parking spaces on the lot." Subdivision (f) of Title 25 CCR section 1106 expressly and fully regulates paving for driveways and roadways, stating that paving generally is not required; therefore, local governments may not impose paving requirements. Title 25 CCR sections 1110, 1116, and 1118 regulate lot standards, precluding local government lot standards such as covered parking or a specific number of on-lot spaces. [While H&SC §18300(g)(1) provides local governments with authority to regulate "vehicle parking", that authority is narrowly interpreted and harmonized with the preemptive nature of the MPA by allowing local government ordinances to reasonably require a specified number of parking spaces within the boundaries of the park (to avoid public street parking), but without imposing their own specific location.]

"No manufactured home may be installed on a lot of less than 4000 square feet, with a minimum depth of 75 feet and a minimum width of 50 feet, at least a fifteen-foot setback from any other home, and at least a ten-foot separation between all structures on the lot other than an attached cabana or covered patio." The MPA implicitly preempts local authority to establish lot sizes by virtue of the standards in 25 CCR sections 1110 and 1118; see also, 25 CCR section 1106(e); in addition, subdivision (g) of H&SC section 18300 allows local governments to establish "density", not lot sizes or locations. The set-back and separation requirements are expressly established by 25 CCR section 1330; in addition, by implication, local action is precluded with respect to setbacks and separations because, in subdivision (h)(3) of H&SC section 18300, the Legislature authorized local action in this area only for manufactured homes sited outside of mobilehome parks.

"The sides of the park facing a public street and the sides facing residential construction shall have walls high enough to block sight access of the roofs of the mobilehomes with ivy or other permanent foliage coverage, and no mobilehome shall be closer than 15 feet from the wall or fence." The locality is authorized, by subdivision (h) of H&SC section 18300, to regulate only the wall or enclosure on the public street frontage, not other sides of the park. The locality is authorized to establish a set-back for the wall or enclosure on the public street frontage, but all other set-back and separation requirements (within the boundaries of the park) are preemptively established by the MPA regulations.

"Every lot in a mobilehome park shall have no more than one mobilehome and one storage shed, and foliage shall be consistent with the surrounding area." This ordinance establishes "lot standards". When H&SC section 18300 was amended in 1981, the express authority for local governments to regulate "landscaping" and establish standards for lots, yards, and park area in mobilehome parks was deleted by the Legislature, depriving local authority for this regulation under the MPA.

"All on-site utilities shall be installed underground." Utility construction requirements are preempted either by the PUC for utility-owned utilities, and/or by Title 25, CCR, which permits overhead utilities. New parks built after 1997 must have gas and electric services owned, operated, and maintained by the serving utility. See, Public Utilities Code section. 2791, Title 25 CCR, section 1180(g).

"Prior to final approval of a park conversion, all lots shall be surveyed to be equal in size, clearly demarcated by landscaping, and lot lines approved by the Planning Department shall be recorded with the County Recorder." A mobilehome park remains a mobilehome park before, during, and after conversion; see, H&SC section 18214, subdivision (a), which provides, "Mobilehome park" is any area or tract of land where two or more lots are rented or leased, held out for rent or lease, or were formerly held out for rent or lease and later converted to a subdivision, cooperative, condominium, or other form of resident ownership..." (emphasis added) Thus, the preemptive provisions which applied to a park prior to, during, and after conversion. The establishment, marking, and movement of lot lines are governed by Title 25, CCR, sections 1104, 1105, 1330, and 1428. Landscaping is not a proper form of lot marking, and lot lines must either be those in existence or moved and approved pursuant to CCR section 1105. A local government may require that the final approved lot lines be those consistent with the requirements of Title 25, since the local government has the authority to approve final lot lines as part of a subdivision approval; however, their location and marking must be consistent with Title 25.

Conclusion

The State Legislature, in its enactment and subsequent amendments to the Mobilehome Parks Act and the Special Occupancy Parks Act, has established clear preemptive authority with regard to state regulation of the physical construction and operational standards for mobilehome parks and recreational vehicle parks. Conversely, both expressly and impliedly, the Legislature has narrowly limited local government authority to legislatively mandate any activity or requirements with regard to the physical standards, physical operation, or physical status of a park. A number of local ordinances addressing park standards for construction, maintenance, operations, or conversions to subdivisions or other forms of resident ownership likely are invalid because the two state Acts preempt them.

If you have any questions regarding this memorandum, please feel free to contact our office at the address above.

Sincerely,



Kim Strange
Deputy Director

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Alimur Mobilehome Park currently has one hundred forty-seven (147) spaces.

0538

ALIMUR MOBILEHOME PARK RENTAL RATE HISTORY

UNIT	2004 \$	2005 \$	2006 \$	2007 \$
001	299.24	319.34	325.98	334.76
002	311.91	332.27	339.01	348.14
003	311.91	332.27	339.01	348.14
004	311.91	332.27	339.01	348.14
005	294.49	314.49	321.09	329.74
006	294.49	314.49	321.09	329.74
007	294.49	314.49	321.09	321.09
008	297.66	317.72	324.35	333.08
009	294.49	314.49	321.09	329.74
010	288.15	311.03	314.58	323.05
011	291.32	311.26	317.84	326.39
012	297.07	316.11	322.72	331.41
013	297.66	317.72	324.35	333.08
014	288.15	308.03	314.58	323.05
015	275.48	295.10	301.55	309.67
016	275.48	295.10	301.55	301.55
017	288.15	311.03	314.58	323.05
018	311.91	332.27	414.01	348.14
019	292.91	312.88	319.47	328.07
020	284.99	304.80	311.32	319.70
021	284.99	304.80	311.32	319.70
022	284.99	304.80	311.32	319.70
023	284.99	304.80	311.32	319.70
024	294.49	314.49	321.09	329.74
025	284.99	304.80	311.32	319.70
026	284.99	304.80	311.32	319.70
027	284.99	304.80	311.32	319.70
028	284.99	304.80	311.32	319.70
029	284.99	304.80	311.32	319.70
030	280.23	299.95	306.44	314.68
031	280.23	299.95	306.44	314.68

Alimur Mobilehome Park currently has one hundred forty-seven (147) spaces.

0539

ALIMUR MOBILEHOME PARK RENTAL RATE HISTORY

UNIT	2004 \$	2005 \$	2006 \$	2007 \$
032	286.57	306.41	312.95	321.38
033	280.23	299.95	306.44	314.68
034	284.99	304.80	311.32	319.70
035	284.99	304.80	311.32	319.70
036	484.99	504.80	511.32	519.70
037	283.40	303.18	309.70	318.03
038	284.99	304.80	311.32	319.70
039	299.24	319.34	325.98	325.98
040	284.99	304.80	311.32	319.70
041	291.32	311.26	317.84	326.39
042	299.24	319.34	325.98	334.76
043	280.23	299.95	306.44	314.68
044	280.23	299.95	306.44	314.68
045	280.23	299.95	306.44	314.68
046	280.23	299.95	306.44	314.68
047	280.23	299.95	306.44	314.68
048	280.23	299.95	306.44	314.68
049	280.23	299.95	306.44	314.68
050	280.23	299.95	306.44	314.68
051	288.15	308.03	314.58	323.05
052	280.23	299.95	306.44	314.68
053	283.40	303.18	309.70	318.03
054	280.23	299.95	306.44	314.68
055	280.23	299.95	306.44	314.68
056	286.57	306.41	312.95	312.95
057	286.57	306.41	312.95	321.38
058	281.92	301.56	308.07	316.36
059	280.23	299.95	306.44	314.68
060	275.48	295.10	301.55	309.67
061	280.23	299.95	306.44	314.68

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EXHIBIT E

Alimur Mobilehome Park currently has one hundred forty-seven (147) spaces.

0540

ALIMUR MOBILEHOME PARK RENTAL RATE HISTORY				
UNIT	2004 \$	2005 \$	2006 \$	2007 \$
062	286.57	306.41	312.95	314.68
063	280.23	299.95	306.44	314.68
064	280.23	299.95	306.44	314.68
065	272.31	291.87	298.30	306.32
066	280.23	299.95	306.44	314.68
067	281.82	301.56	308.07	316.36
068	292.91	312.88	319.47	328.07
069	280.23	299.95	306.44	314.68
070	280.23	299.95	306.44	314.68
071	284.99	304.80	311.32	319.70
072	286.57	306.41	312.95	321.38
073	294.49	314.79	321.09	329.74
074	0.00	0.00	0.00	0.00
075	286.57	306.41	312.95	321.38
076	286.57	306.41	312.95	321.38
077	286.57	306.41	312.95	321.38
078	286.57	306.41	312.95	321.38
079	286.57	306.41	312.95	321.38
080	286.57	306.41	312.95	321.38
081	286.57	306.41	312.95	321.38
082	280.23	299.95	306.44	314.68
083	294.49	314.49	321.09	329.74
084	294.49	314.49	321.09	329.74
085	286.57	306.41	312.95	321.38
086	284.99	304.80	311.32	319.70
087	286.57	306.41	312.95	321.38
088	294.49	314.49	321.09	329.74
089	286.57	306.41	312.95	321.38
090	286.57	306.41	312.95	321.38
091	286.57	306.41	312.95	321.38
092	286.57	306.41	312.95	321.38
093	283.40	303.18	309.70	318.03
094	299.24	319.34	325.98	334.76

Alimur Mobilehome Park currently has one hundred forty-seven (147) spaces.

0541

ALIMUR MOBILEHOME PARK RENTAL RATE HISTORY

UNIT	2004 \$	2005 \$	2006 \$	2007 \$
095	284.99	304.80	311.32	319.70
096	359.99	379.80	386.32	394.70
097	283.40	303.18	309.70	309.70
098	284.99	304.80	311.32	311.32
099	294.49	314.49	321.09	329.74
100	294.49	314.49	321.09	329.74
101	311.91	332.27	339.01	348.14
102	311.91	332.27	339.01	348.14
103	308.75	327.87	335.75	344.79
104	303.99	324.19	330.87	339.78
200	319.83	340.35	347.15	356.50
201	319.83	340.35	347.15	356.50
202	319.83	340.35	347.15	356.50
203	311.91	332.27	339.01	348.14
204	311.91	332.27	339.01	348.14
205	311.91	332.27	339.01	348.14
206	319.83	340.35	347.15	356.50
207	311.91	332.27	339.01	348.14
208	303.99	324.19	330.87	339.78
209	303.99	324.19	330.87	339.78
210	299.24	319.34	325.98	334.76
211	296.07	316.11	322.72	331.41
212	299.24	319.34	325.98	334.76
213	303.99	324.19	330.87	339.78
214	296.07	314.94	322.72	331.41
215	303.99	324.19	330.87	339.78
216	303.99	324.19	330.87	339.78
217	303.99	324.19	330.87	339.78
218	303.99	324.19	330.87	339.78
219	299.24	319.34	325.98	334.76
220	303.99	324.19	330.87	339.78
221	296.07	316.11	322.72	331.41

155001_1.XLS

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EXHIBIT

Alimur Mobilehome Park currently has one hundred forty-seven (147) spaces.

0542

ALIMUR MOBILEHOME PARK RENTAL RATE HISTORY

UNIT	2004 \$	2005 \$	2006 \$	2007 \$
222	303.99	324.19	330.87	339.78
223	303.99	324.19	330.87	339.78
224	303.99	324.19	330.87	339.78
225	303.99	324.19	330.87	339.78
226	303.99	324.19	330.87	339.78
227	280.23	299.95	306.44	314.68
228	296.07	316.11	322.72	331.41
229	303.99	324.19	330.87	339.78
230	303.99	324.19	330.87	339.78
231	296.07	316.11	322.72	331.41
232	296.07	316.11	322.72	331.41
233	296.07	316.11	322.72	331.41
234	296.07	316.11	322.72	331.41
235	296.07	316.11	322.72	331.41
236	296.07	316.11	322.72	331.41
237	303.99	324.19	330.87	339.78
238	1250.00	1250.00	1250.00	1250.00
239	1500.00	1400.00	1400.00	1400.00
240	1250.00	1400.00	1400.00	1250.00

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EXHIBIT E

SUMMARY OF SANTA CRUZ COUNTY'S MOBILEHOME RENT ADJUSTMENT REGULATION

0544

County Code Chapter 13.32 entitled "Rental Adjustment Procedures for Mobilehome Parks," protects the residents of mobilehomes from unreasonable space rent increases and/or assessments, while recognizing the need of mobilehome park owners to receive a just and reasonable return on their property.

In summary, the County's Rent Adjustment regulation provides the following:

- General Rent Adjustments may only be made once each calendar year by the park owner.
- Notice of any rent increase must be mailed to each park resident before the increase can go into effect. The notice must itemize each new expense sought by the park owner.
- The maximum allowable monthly rent increase is limited to the "base rent" (which is generally the monthly rent that was charged in 1982) and certain allowable adjustments including the following:
 - Changes in property taxes
 - Changes to the Consumer Price Index (CPI)
 - Capital Improvements expenses
 - Government required service charges (such as bonds and assessments against the park property)
- A park owner may not reduce or eliminate the current level or kind of services provided to park residents unless it is accompanied by an equal reduction of rent.
- A Special Rent Adjustment may be sought if a park owner believes that the General Rent Adjustment provisions do not allow a just and reasonable return on the property.
- Rent increases are not allowed when a mobilehome is transferred to a new owner (vacancy control)
- Rent disputes are heard and decided by a special Hearing Officer.

LAW OFFICES OF
SENIOR CITIZENS LEGAL SERVICES

SERVICIOS LEGALES PARA PERSONAS DE MAYOR EDAD

Website: www.seniorlegal.org E-mail: terryhancock@seniorlegal.org

0545

Santa Cruz Main Office
501 Soquel Avenue, Suite F
Santa Cruz, CA 95062
Ph: 831.426.8824
Fax: 831.426.3345

Watsonville Office
114 E. Fifth St./P.O. Box 1156
Watsonville, CA 95077
Ph: 831.728.4711
Fax: 831.728.4802

Hollister Office
300 West Street
Hollister, CA 95023
Ph: 831.637.5458
Fax: 831.637.9767

February 24, 2009

By mail and by email to: Alice.Daly@co.santa-cruz.ca.us

Honorable Albert Aramburu, Chair
Santa Cruz County Planning Commission
701 Ocean Street, Suite 400
Santa Monica, CA 95060

Re: Alimur Mobile Home Park
Application Number: 07-0310
Application to Convert Rental Occupied Mobilehome Park to Ownership Park
Applicant: Sid Goldstien Owner: Paul Goldstone
Hearing Date: February 25, 2009 at 9:00 am
Request for Continuance

Dear Mr. Aramburu and Other Members of the Commission:

I represent the residents (Residents) of Alimur Mobile Home Park (Park) in this matter. Today, February 24, 2009, I received by email a copy of the hearing memorandum filed by the Applicant's counsel, Mr. Thomas Casparian. It is quite lengthy and provides, for the first time, the legal arguments that Mr. Casparian plans to assert in this proceeding.

In addition to the legal claims, Mr. Casparian's email included a document marked as Exhibit A. Exhibit A is a sworn declaration from a Park resident named Cynthia Bunch. Although the face of Ms. Bunch's declaration indicates that she signed it on October 2, 2008, this is the first time that I have been provided with a copy. This is also the first time that Mr. Casparian has provided me with the name of *any* resident who alleges that the resident survey vote was somehow tainted.

I am not writing to request that the hearing scheduled for tomorrow not take place. Instead, I request that the Planning Commission conduct the hearing but continue it after tomorrow for the following reasons:

1. **Continue Hearing to Accept Further Testimony.** Ms. Bunch did not identify the person whom she accuses of having improperly tried to influence her vote. Unless that information is provided voluntarily, it is impossible to determine the legitimacy of her claims. Therefore, I would like to subpoena Ms. Bunch so she can testify and be cross-examined at a continued hearing date.

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Ms. Bunch has made detailed charges about the conduct of the resident survey vote. My clients deny that any of her claims had any effect on the voting results but it is important that the record be clear on this issue. As it stands now, Ms. Bunch has presented a sworn statement to the Commission but the Residents have had no opportunity to determine whether her claims have any credibility. If the Commission intends to accept her sworn declaration as evidence of how the survey vote was conducted, the Residents are entitled to question Ms. Bunch under oath about the issues that she raised in her declaration.

2. Continue Hearing to Accept Other Sworn Declarations Concerning the Survey Vote.

One clear purpose of Ms. Bunch's declaration is to plant a seed of doubt with the Commission about whether the vote results represent the actual sentiments of the residents who voted "no" on the proposal. The Residents I represent are entitled to have enough time to prepare and file their own sworn declarations to counter the claims made by Ms. Bunch.

As noted above, Mr. Casparian only identified Ms. Bunch by name today, the day before the hearing. The Residents are entitled to submit their own declarations so that any doubts about the legitimacy of the voting results are put to rest.

3. Require Submission of All Declarations Concerning the Vote. My clients firmly and unequivocally reject the claim that the survey vote was unrepresentative of the vast majority of the Park Residents. If anyone else besides Ms. Bunch claims otherwise, they should be required to step forward now at this, the fact-finding stage. In this regard, I have reprinted a portion of Mr. Casparian's letter to me dated October 7, 2009:

We have received detailed information from residents telling us of overt intimidation, misinformation and scare tactics by certain members of the HOA Board in pressuring them to vote against the conversion. It was reported the elderly and most vulnerable residents, telling them that they were going to lose their homes and be forced to move if they did not vote against the conversion. Others reported that the HOA went door-to-door, refusing to leave until residents marked the survey against the conversion. Residents have reported that the intimidation used was relentless, and so frightening that they are not even willing to let their names be used for fear of retribution. [Emphasis supplied.]

Mr. Casparian's repeated use of the plural form when referring to the "residents" who were intimidated into voting against their true beliefs necessarily implies that there were many other people who have claims similar to Ms. Bunch and that he has discussed their concerns with them. If so, there are several reasons why the Commission should demand that any others who share Ms. Bunch's belief come forward now.

First, the Commission should be able to take any other similar claims into consideration when considering the validity of the charges leveled by Ms. Bunch.

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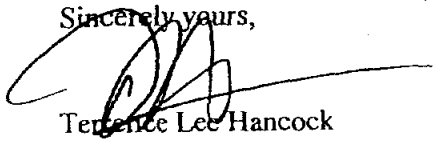
EXHIBIT E

Second, the Residents must be afforded an opportunity to know what these other claims are so they can investigate them and, if necessary, submit their own counter-declarations.

Finally, if no one else steps forward, the Commission must determine that there is no other evidence available to support the claim that any of the 119 residents who voted against the conversion were improperly influenced to do so.

Thank you for your consideration of my request. Please feel free to contact me if you have any questions about the issues raised in this letter.

Sincerely yours,



Terrence Lee Hancock
Directing Attorney

S:\DAttyClients\Litigation&AdmHearings\LegalAssist\Housing\Mobilehome\SCounty\RentC-Adm\Alimur-Conversion\PlanningCommission\Aramburu02 Ltr Re Continuance.wpd

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February 24, 2009

County of Santa Cruz Planning Commission

TO WHOM IT MAY CONCERN

First of all, I am not a HOA board member. I am a concerned resident over the possibility of losing my home to the conversion.

I remember the day the survey came to me in the mail, and it was short notice. I went to about eight of my closest neighbors to make sure they would get it in the mail by the deadline. Today (approximately five months later), it comes to my attention that one of the neighbors felt harassed by my approach. My purpose in talking to her was to simply to remind her that the survey needed to be mailed ASAP. I was trying help. She and I had talked in the past and I knew she wasn't able to come to the meetings because of her work, but she was not in favor of the conversion. I wouldn't have gone to visit her about the survey if I'd thought she was **for** the conversion. That wouldn't have been my business. I was trying to make sure my neighbors knew about the deadline.

I am sorry if she got the wrong impression or felt pressured by me. When I read her letter that she wrote to the lawyers, I was confused by her reaction. It was never my intention to make her uncomfortable.

Sincerely,

Jack Ryan


Date 2/24/09

2/24/09

0549

Monday

This letter is to confirmed that I
was not intimidated or co-erced into
signing the residence survey of support
By Jack Ryan in any shape, matter
of form. It was my own decision.

Sincerely

Melissa Hardy

Space #10

Alexander Moberhome Park

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EXHIBIT E

Feb 24, 2009
Planning Commission
County of Santa Cruz
701 Ocean St. Rm 318A
S. Cruz, CA 95060

Dear Planning Commission,

I am writing to let you know that when I took the survey regarding Almar Mobilehome Park conversion, I did so of my own free will, without any pressure from Jack Ryan.

Thankyou for taking this into consideration

Sincerely,

Kathryn Naton, Resident
4300 Soquel Dr #11
Soquel, CA 95073

Feb 25, 2009
0551

To whom it may concern

I Lisa Kay Beck of Alimire Mobilehome
Park #201. I was not forced in any
way by Jack or any other person in
the park on my decision on the
Survey. I voted NO.

Thank you Lisa Kay Beck

Sincerely Lisa Kay Beck

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EXHIBIT E

COUNTY OF SANTA CRUZ
PLANNING COMMISSION
ATT: ALICE DALY

MY NAME IS LAURA RODRIGUEZ AND I LIVE IN ALIMUR MOBILE HOME PARK, SPACE #1. I WOULD HAVE PREFERRED TO BE THERE IN PERSON, BUT I AM CURRENTLY PHYSICALLY DISABLED. I WANT TO VOICE MY DISSENT OF THE IMPENDING CONDO CONVERSION OF THE PARK.

I MOVED INTO THE PARK AS A SINGLE PARENT IN 1993. IT WAS THE LAST RESORT OF LOW INCOME HOUSING, AND PROVIDED A STABLE HOME FOR MY SON AND I. I HAVE DONE MY BEST TO KEEP UP AND IMPROVE THE PROPERTY, EVEN THOUGH I LIVE ON DISABILITY INCOME.

AS FAR AS I AM AWARE, THERE ARE NO TENANTS USING THEIR MOBILE HOME AS A "VACATION UNIT". ALL OF MY ACQUAINTANCES IN THE PARK ARE EITHER ELDERLY, SINGLE PARENTS; OR LOW-INCOME SINGLE OR FAMILY RESIDENTS. THESE ARE "HOMES", NOT INCOME-GENERATING INVESTMENTS.

IF THE CONDO CONVERSION IS APPROVED AS WRITTEN, IT WILL CREATE NOTHING BUT HARDSHIP FOR THE RESIDENTS,

AND MORE MONEY FOR GREEDY POCKETS

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PLEASE CONSIDER THIS IN MAKING
YOUR DECISION.

THANK YOU

Laura Rodriguez

LAURA RODRIGUEZ

4300 SOQUEL DR SPC #1

SOQUEL, CA 95073

831-476-5713

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EXHIBIT E

2-25-09

0554

COUNTY OF SANTA CRUZ
PLANNING COMMISSION
ATT: ALICE DALY

I WOULD LIKE TO STATE THAT
IN NO WAY HAVE I BEEN COERCED
OR INTIMIDATED BY JACK RYAN IN
MY DECISIONS AND PARK SURVEYS.

I WOULD BE THERE IN PERSON,
BUT I HAVE RECENTLY HAD KNEE
SURGERY.

Laura Rodriguez

LAURA RODRIGUEZ
4300 SOQUEL DR SPC#1
SOQUEL, CA 95073
831-476-5713

4300 Soquel Dr. A 15
Soquel, CA 95073
February 24, 2009
0555

Dear Santa Cruz County Planning Commission,

Jack Ryan and I were neighbors when I first moved to Alimar Mobile Home Park. I know him. He is a fun, high-energy young man.

While I don't remember the specific day he came by to remind me to fill out the survey, I know for sure that I was not intimidated.

He was a perfect neighbor and I would not have hesitated to call on him for help.

I'm 83 years old; I do not get out very much, but I do know my neighbors, and I trust Jack.

Sincerely,

Ruth Becken

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EXHIBIT E

February 24, 2009

Project Planner, Alice Daly
Planning Department
701 Ocean St., 4th Floor
Santa Cruz, CA 95060

Application # 07 0310

Dear Planning Department and Commission,

I live at Alimur Hobile Home Park. I have resided in this park for over twenty years. I will be devastated by this proposed conversion.

As a low-income resident, this proposal is unsettling and frightening. When I purchased my space, I had now idea this would ever happen and now feel blind-sided.

We are hoping for your assistance,

Sincerely,

Lisa Beck
Alimur Mobile Home Park 201
Soquel, CA 95073



February 24, 2009

Project Planner, Alice Daly
Planning Department
701 Ocean St., 4th Floor
Santa Cruz, CA 95060

Application # 07 0310

Dear Planning Department and Commission,

I live at Alimur Mobile Home Park. I have resided in this park since 2002. I will be devastated by this proposed conversion.

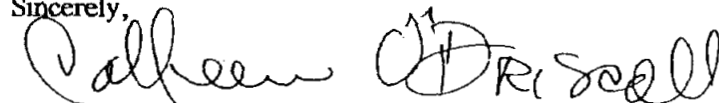
It is my understanding that (quoting from our resident web site):

Residents are given a "choice" to buy the land under the home at a price set by the owner or continue renting but without the benefit of rent control. Those who cannot afford to buy will see their rent increase by 20% of the difference between the current rate and the appraised fair market value, per year for the first four years. **After four years the owner can raise rents to any level they desire. Those who qualify as low income will be protected from these increases by state rent control although they will still lose most of their home's equity in the conversion.**

As a low-income resident, this proposal is unsettling and frightening. When I purchased my space, I had now idea this would ever happen and feel distressed beyond belief.

We are hoping for your assistance,

Sincerely,



Colleen O'Driscoll
Alimur Mobile Home Park #5
Soquel, CA 95073

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EXHIBIT E

To Who it may concern,

Feb. 24, 2009

We, Severiano and Luis Lara from Soquel Dr. Alimur Park Space # 73, do not agree with the park owner conversion because we believe that it is not affordable for us and most of the people living in Alimur Park. In addition, myself, my family, and most of the people in Alimur Park do not agree with the conversion. We think this would affect everyone because everyone would lose the rent control.

Thank You Very Much,

Sincerely,

Severiano and Luis Lara



February 24, 2009

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COUNTY OF SANTA CRUZ PLANNING COMMISSION

TO WHOM IT MAY CONCERN

Re: DECLARATION OF CYNTHIA BUNCH

This is a response to Cynthia Bunch's declaration in order to add my view of how Jack Ryan, my neighbor, has been characterized by Ms. Bunch.

Jack Ryan has been my neighbor for several years. Jack and I also talked about the survey, that the deadline was short, and we agreed we would make sure to send in our vote and meet the short deadline. There was no 'bullying' ever.

I was shocked when I read Ms. Bunch's declaration. This seems to be a case of misinterpretation of Jack's intent. He has a straightforward manner, but he is not a 'bully.' In contrast, he minds his own business, and he is always courteous and helpful. He is not an intrusive or meddling neighbor, and our relationship as neighbors has been completely trouble-free

In addition, Jack has done numerous favors for me, for which I would have had to hire an outside party: repair of skirting, cleaning of my roof, tree trimming (his profession), installing a new filter in the furnace.

I hope this misunderstanding can be resolved harmoniously for the good of the entire park.



Colleen O'Driscoll
Alimur Mobile Home Park
4300 Soquel Drive, #5
Soquel, CA 95073

EXHIBIT

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County of Santa Cruz
Planning Commission

February 24, 2009

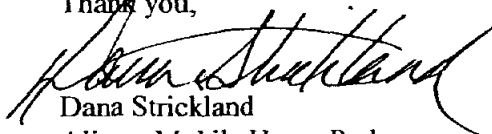
Commissioners:

This letter is to inform you of the day I received the survey in question regarding the proposed condominium conversion of Alimur Mobile Home Park, where I have resided for the past ten years.

I received the survey through the mail, I read it carefully and I marked the box that indicated I was not in favor of the conversion. I was completely alone when I made this action and I had spoken to no one before or after my decision. I was in no way, shape or form coerced in the decision of my vote.

I feel that this conversion would have a very negative effect on the majority, if not all, of the residents at Alimur Mobile Home Park and I am completely against the conversion.

Thank you,


Dana Strickland
Alimur Mobile Home Park
Spc 202



COUNTY OF SANTA CRUZ

OFFICE OF THE COUNTY COUNSEL

701 OCEAN STREET, SUITE 505, SANTA CRUZ, CA 95060-4068 (831) 454-2040 FAX: (831) 454-2115

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Betsy L. Allen
David Brick
Jessica C. Espinoza
Sharon Carey-Stronck

Special Counsel

Dwight Herr
Deborah Steen
Samuel Torres, Jr.

April 7, 2009

Board of Supervisors
501 Ocean Street, Room 500
Santa Cruz CA 95060

RE: Application No. 07-0310 to Convert the Alimur Mobilehome Park to Resident Ownership.

Dear Members of the Board:

The owner of Alimur Mobilehome Park has applied to the County to convert the park to resident ownership. The County is authorized to regulate the conversion of mobile home parks to resident ownership pursuant to Government Code § 66427.5. In 2007, the County added Chapter 14.08 to the County Code to establish regulations implementing the provisions of Government Code § 66427.5. The County's regulations are a reasonable exercise of its authority under the Subdivision Map Act and its police powers, and are in full accordance with the requirements of Government Code § 66427.5.

The applicant contends that Chapter 14.08, particularly the requirement that a conversion be a bona-fide resident conversion, violates state law and published appellate court precedent (see letter of Thomas W. Casparian, dated February 23, 2009, attached as Exhibit "A"). This letter will serve to respond to the key claims raised by the applicant and clarify the legal basis for the County's conversion regulations.

A. History of State Regulation of Mobilehome Park Conversions.

Most mobilehome parks subject to the County's rent control ordinance (Chapter 13.32 of the County Code, "the Mobile Home Rent Adjustment Ordinance") share a common structure: the owner of the park owns the land and all common facilities, including roads, sidewalks, recreation facilities and

landscaped areas. Park residents own their mobilehomes and pay monthly rent to the park owner for the land beneath. Because of the difficulties in moving a mobilehome once it is set in place - vacancy rates in parks are very low and relocation expenses are very high - the County enacted rent controls on the space rents chargeable to park tenants.

In the 1980's, some mobilehome park residents began to join together to take control of their own parks by purchasing the land and common facilities from the park owner. In some instances, a nonprofit corporation was formed to acquire the park. In others, the park was subdivided into a condominium style ownership - with each resident purchasing the land beneath their home along with a percentage interest in the common facilities. The subdivision of a park into condominium style ownership became known under state law as a "conversion to resident ownership" (see generally, *"Conversion of Mobilehome Parks to Subdivisions or Condominiums"*, February 28, 2007, Senate Select Committee Hearing Background Paper, attached as Exhibit "B".)

B. Emergence of State Law Governing Mobilehome Park Conversion

As with any division of property in California, the subdivision of mobilehome parks into individual lots is governed by the Subdivision Map Act (the "Map Act"). The Map Act establishes minimum statewide standards and procedures for all land divisions. The Map Act delegates to cities and counties the authority and responsibility for adopting implementing ordinances and for processing and reviewing all proposed subdivision applications.

In 1984, the Legislature created the Mobilehome Park Resident Ownership Program ("MPROP") to provide financial assistance for mobilehome park residents seeking to acquire their parks. MPROP provides low-interest loans to resident organizations and to low-income residents to help fund the purchase of lots in connection with the conversion of a park to resident ownership, and is administered by State Department of Housing and Community Development. To prevent the displacement of residents who were unable, or chose not, to purchase their lots, MPROP generally set limits on the rental increases that can be charged to such remaining residents.

In 1989, the Legislature added a provision to the Map Act to allow map requirements to be waived when two-thirds of the park residents signed a petition indicating their intent to purchase the park for purposes of converting it to resident ownership. The Legislature left intact the local agency's ability to address health and safety concerns, boundary discrepancies, certain specified mapping issues, and any increase in the number of lots. Initially placed within Government Code § 66428 (the Subdivision Map Act's general provision for map waivers), it was later moved into its own section, section 66428.1.

Meanwhile, difficulties began to arise in projects funded by MPROP. MPROP itself provided for rent control for non-purchasing residents, but some

local jurisdictions sought to impose additional protections for non-purchasing residents, sometimes inconsistent with those imposed by MPROP. The local protections included more stringent rent control, rental subsidies, and/or financial set-asides for potential future displacements. In many instances, these proved onerous to resident groups attempting to acquire their parks.

To address these concerns, the Legislature in 1991 adopted Government Code § 66427.5, establishing a single set of rent protections as the *only* mitigations to be imposed on park conversions with respect to the potential displacement of non-purchasing residents (see Statutes 1991, chapter 745, § 2, attached as Exhibit "C"). Section 66427.5 originally applied only to conversions funded by MPROP. In 1995, additional mitigations for economic displacement were added and the section was expanded to apply to all conversions to resident ownership, however they might be funded (see Statutes 1995, chapter 256, § 5, attached as Exhibit "D"). One of the important practical effects of the expansion of section 66427.5 was to ensure that all parks would be released from local rent control upon conversion to resident ownership.¹

The potential financial advantage to a park owner was soon recognized. A park owner could convert a mobilehome park and begin selling lots, and, while waiting for such sales, the park would be removed from local rent control. In 2000, a park owner in the City of Palm Springs applied to the city to convert to resident ownership. While some park residents looked forward to the opportunity to purchase the land beneath their mobilehome, others who could not afford or chose not to purchase, were concerned that increased rents might force them from their homes. Some park residents, as well as the City, believed that the provisions of § 66427.5 were not intended to be used by park owners, but only by park residents. In 2002, the matter was litigated in *El Dorado Palm Springs, Ltd v. City of Palm Springs* (2002) 96 Cal.App.4th 1153. The court properly concluded that § 66427.5, by its plain language, applied to all conversions to resident ownership without distinction.

In the course of the litigation, the City of Palm Springs expressed concern that a park owner might not use section 66427.5 for a true conversion - not to facilitate the sale of lots into individual resident ownership - but only to escape local rent control. *El Dorado, supra*, 96 Cal.App.4th at 1165. The court dismissed the concern, stating that "the argument that the Legislature should have done more

¹ Section 66427.5 provides that, for low-income households, rent increases shall be capped at the Consumer Price Index, providing protections that are comparable to those generally provided under local rent controls. For moderate income households, however, rents may increase to "market-rate" in four years. It is thus moderate income households - seniors on fixed incomes and working families - that are often at the center of concerns about conversions. These households are not eligible for MPROP financial assistance.

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to prevent partial conversions or sham transactions is a legislative issue, not a legal one." *Ibid.*

On the day the California Supreme Court declined review of the *El Dorado* decision, legislation to amend § 66427.5 was proposed (see Statutes. 2002, chapter 1143, § 2 (Assembly Bill 930), attached as Exhibit "E".) Directly (and explicitly) responding to the *El Dorado* ruling the Legislature revised §66427.5 to require that a park owner conduct a survey of support among residents, prior to conversion, so as to "ensure that conversions pursuant to Section 66427.5 . . . are bona fide resident conversions." (See uncodified statement of legislative intent, Exhibit "E".)

As amended, Section 66427.5 now requires that a subdivider of a mobilehome park avoid the economic displacement of nonpurchasing residents by:

- (a) Offering each existing tenant the opportunity to purchase his lot or continue as tenant;
- (b) Filing a report with the local jurisdiction on the impact of the conversion upon park residents;
- (c) Providing a copy of the impact report to all residents at least 15 days prior to the hearing on the conversion;
- (d) Obtaining a survey of support of the park residents and providing the results of the survey to the local agency for the agency's consideration;
- (e) Holding a hearing before the legislative body of the local agency to consider the subdivider's compliance with the section; and
- (f) Limiting the rents for non-purchasing residents as specified in the statute.

Government Code § 66427.5 (a) - (f).

C. County Enacts Conversion Regulations to Implement § 66427.5.

Ordinance No. 4880 added Chapter 14.08 to the County Code, and was enacted by the Board of Supervisors on August 7, 2007. Chapter 14.08 closely follows the provisions of state law and provides guidance for implementation of the section 66427.5 requirements:

1. Application Requirements. Chapter 14.08 sets forth minimum application requirements consistent with § 66427.5, including the submission of a

survey of resident support and the submission of a report on the impact of the proposed conversion on park residents.

2. Tenant Notifications. Second Chapter 14.08 sets forth the tenant notifications required by state law, requiring that the subdivider provide residents with: (a) a copy of the tenant impact report prior, in accordance with section 66427.5; and (b) notice of the tenant's right to purchase the space beneath his or her mobilehome or to continue residency as a tenant in the park, also in accordance with section 66427.5.

3. Criteria for Approval. Finally, Chapter 14.08 sets forth criteria for the approval of a conversion application, including: (a) the proper completion of the required survey of support; (b) the proper completion of the tenant impact report; and (c) evidence that the conversion is a bona fide resident conversion in accordance with section 66427.5.

D. *El Dorado* Does Not Bar County Regulations.

The applicant suggests that the *El Dorado* decision principally stands for the proposition that local agencies cannot take action to avoid so-called "sham" conversions - conversions undertaken simply to avoid local rent control rather than to sell lots (see Exhibit "A".) But, as noted above, the court's discussion of the avoidance of "sham" transactions was subsequently addressed by the Legislature by amending the requirements of § 66427.5. The 2002 amendments to section 66427.5 now require that the subdivider "shall obtain a survey of support of residents of the mobilehome park for the proposed conversion." and that "*The results of the survey shall be submitted to the local agency . . . to be considered as part of the subdivision map hearing prescribed by subdivision (e)*" (see Exhibit "E".)

In an uncodified section of the amendment, the Legislature stated that the intent of the new requirements was "to ensure that conversions pursuant to Section 66427.5 of the Government Code *are bona fide resident conversions*" (see Exhibit "E".)

The applicant suggests that the requirement for the survey of support is not for the benefit of the local agency, but instead is simply designed to provide data in an administrative record for the courts to consider in the event of a later lawsuit claiming that the conversion was a sham to avoid rent control (see Exhibit "A".) Staff disagrees with this position. Within the text of section 66427.5, there is no mention of lawsuits, of the courts, of administrative records, or of data needed for subsequent litigation. Instead, the new subdivision (d) of section 66427.5 expressly provides (1) that the subdivider must conduct a survey of the park residents to determine their support for the conversion, (2) that the survey must be conducted according to certain standards (that is, that the survey must be in accordance with an agreement between the subdivider and the homeowners association, that the survey must be by written ballot, and that each occupied

mobilehome space must have one vote); and (3) that the results of the survey must be submitted to the local agency for its consideration.

In an uncodified section of the bill, the Legislature explained the new provision's purpose:

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 Palm Springs, Ltd. 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 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.*

Statutes 2002, chapter 1143, § 2 (see Exhibit "E".)

In the legislative analysis of AB 930 prepared by the Senate Rules Committee prior to final action on the bill by the State Senate, staff noted that the bill was a direct response to the admonition given by the Court in *El Dorado*:

Proponents claim that, under the Eldorado [*sic*] case, the Subdivision Map Act has been turned on its head to allow developers to convert a park to resident ownership simply to get around local rent control or other local displacement protections, not to sell the lots to residents. This bill picks up on the court's admonition that the issue is a legislative matter.

(See Senate Rules Committee Third Reading Report on AB 930, attached as Exhibit "F"). This report also noted that the bill added legislative intent language concerning *the need for resident support* to assure that the conversion of mobilehome parks to resident ownership pursuant to the Subdivision Map Act are bona fide.")

The Concurrence Report prepared by the Assembly confirms that the amendment gives to local agencies the responsibility to ensure that the conversion is not proposed simply for evasion of local rent control:

This bill seeks to ensure that the conversion is not a sham conversion by requiring a vote of the residents to be submitted to the local agency. Essentially, the bill is addressing a statement by the court in *El Dorado* that, 'the courts will not apply section 66427.5 to sham or failed transaction, or to avoid a local rent control ordinance.' Making this determination would not be easy for a local agency that did not proactively seek to inquire with the residents on their position. [P] 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.*

(See Concurrence in Senate Amendments Report on AB 930, attached as Exhibit "G".)

While the Concurrence Report also suggests that the determination of the legitimacy of the conversion should not be based upon a simple majority vote of the residents, neither the bill itself nor any committee report sets forth specific standards for that determination. Staff believes that *some* level of resident support is required under the new amendments and that Chapter 14.08 properly implements that requirement (see Concurrence Report Summary: "Requires that a proposal to subdivide a mobilehome park into resident ownership include survey results of the residents *indicating their support for the conversion.*" Exhibit "G".) Further evidence that the survey results were to be used in determining whether a project is a bona-fide resident conversion is found in the Enrolled Bill Report: for AB 930 (attached as Exhibit "H"): "this bill would help close a loophole that permits a park owner-driven conversion to resident ownership even where the conversion is not favored by, nor in the interests of the park residents"; and that the bill would allow a local agency "to recognize a potentially fraudulent conversion from a resident survey" and disapprove the subdivision.

Recognizing that the survey of support is not a simple up or down vote of the residents, but rather a means of ensuring that the conversion is legitimately pursued for the purpose of conveying parcels to residents (and not simply for evading local rent control), Santa Cruz County developed, and set forth in Chapter 14.08, a set of presumptions based on the vote of the park residents.

Section 66427.5, subdivision (d) directs the local agency to "consider" the survey of support. The County may do so on a case-by-case basis, or may establish standards by ordinance to provide guidance and ensure consistency. The County has established those standards in a reasonable manner and in a good faith effort to implement the new requirements of section 66427.5 in keeping with legislative intent.

As with the standards for consideration of the survey of support, the standards set forth in Chapter 14.08 with respect to the tenant impact report also

constitute appropriate local implementation of the plain language of § 66427.5. Subdivision (b) of § 66427.5 requires 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." Nowhere does the statute specify the required contents of the report. Faced with implementation of that requirement, the County had a choice of reviewing each application on a case-by-case basis to determine the adequacy of the report, or setting uniform standards to guide applicants, park residents and county staff. The County chose to set uniform minimum standards for such reports, providing consistency and facilitating the processing of conversion applications.

Santa Cruz County's enactment of Chapter 14.08 governing the conversion of mobilehome parks to resident ownership is a lawful exercise of its authority to appropriately implement the plain language and express intent of Government Code § 66427.5. Neither that State law nor the decision in *El Dorado* abrogates that authority.

Very truly yours,

DANA McRAE, COUNTY COUNSEL

By


RAHN GARCIA

Chief Deputy County Counsel

Exhibits:

- "A" Letter of Thomas W. Casparian, dated February 23, 2009
- "B" *Conversion of Mobilehome Parks to Subdivisions or Condominiums*, February 28, 2007, Senate Select Committee Hearing Background Paper
- "C" Statutes 1991, chapter 745, § 2
- "D" Statutes 1995, chapter 256, § 5
- "E" Statutes 2002, chapter 1143, § 2 (Assembly Bill 930)
- "F" Senate Rules Committee Third Reading Report on AB 930
- "G" Concurrence in Senate Amendments Report on AB 930
- "H" Enrolled Bill Report: for AB 930

cc: Planning Department

LAW OFFICES
GILCHRIST & RUTTER
PROFESSIONAL CORPORATION

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WILSHIRE PALISADES BUILDING
1299 OCEAN AVENUE, SUITE 800
SANTA MONICA, CALIFORNIA 90401-1000

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

March 5, 2009

VIA FEDEX

Tess E. Fitzgerald, Clerk of the Board
Santa Cruz County
701 Ocean Street, Room 500
Santa Cruz, CA 95060

Re: Appeal From Planning Commission's Decision On February 25, 2009 To
Recommend Denial Of Application No. 07-0310 to Convert the Existing Alimur
Mobilehome Park From a Rental-Only Park To Resident Ownership

Dear Ms. Fitzgerald:

We represent the property owner and applicant ("Alimur") in the above-referenced application for a vesting tentative map, Application No. 07-0310 (the "Application"), to convert Alimur Mobilehome Park (the "Park") from a rental park to a resident-owned park pursuant to the Subdivision Map Act, Government Code section 66427.5 (the "Conversion").

At its hearing on February 25, 2009, the Planning Commission ("Commission") approved Staff's recommendation to recommended that the Board of Supervisors deny the Application ("Decision"). Although we have been advised by staff at the County Planning Department ("Staff") that the Board of Supervisors ("Board") will automatically set a hearing on our Application, and that no appeal is necessary, we are submitting this appeal pursuant to Section 14.01.312 of the Santa Cruz County Code in an abundance of caution.¹

The Commission's Decision was wholly unsupported by the law, the facts and/or any evidence in the record. Furthermore, the Decision was in error and was an abuse of discretion. An additional hearing on the Application must be held before the Board of Supervisors.

As discussed in more detail below, the Commission's Decision to approve the recommendation contained in the Staff Report concerning the Application ("Staff Report") was improper and illegal. The Staff Report alleged that the Conversion should be denied because it was not compliant with certain local regulations, permitting requirements, and the Santa Cruz County's general plan ("General Plan"). Specifically, the Staff Report claimed that the Conversion (i) was not a "bona fide resident conversion" as Alimur had not "evidenced that...the required 50% of residents voted in favor of conversion" as required under the County Code (Staff Report at p. 3), (ii) was inconsistent with the "General Plan Housing Element 4.7 goals,

¹ We have also been advised by Staff that no filing fee is necessary as this appeal is being submitted on behalf of the applicant.

EXHIBIT "A"

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EXHIBIT

Tess E. Fitzgerald, Clerk of the Board
Santa Cruz County
March 5, 2009
Page 2

policies and objectives that seek to conserve the existing stock of affordable housing in the County" (*Id.*), (iii) was out of compliance with the number of units approved (*Id.*), and (iv) was not consistent with General Plan Policy 6.5.5, which required a "secondary access way for any new subdivision in the Urban area where lots are more than 500 feet from a through road" (*Id.*).

As we advised the Commission, the Staff Report's recommendation was flawed in several respects. Among other things, it recommended the Commission support a denial based on criteria that are illegal under controlling state statutes and published appellate court precedent. Under state law, local government authority is restricted to determining a Conversion application's compliance with Government Code section 66427.5. Local governments cannot impose conditions on Conversions not contained in Section 66427.5. That means that local governments cannot condition approval of a Conversion application on consistency with its local regulations, permitting requirements, and/or general plan.

We have already filed a lawsuit challenging the County Ordinance, Ordinance No. 4880, that adopted Section 14.08.070(2) of the County Code imposing the bona fides requirement, among others, which the Staff Report cited to support its recommendation to the Commission. Although the litigation has been stayed pending the County's decision on the Application, we are confident, based on numerous trial court decisions throughout California vacating similar ordinances and resolutions, that the Court will vacate Ordinance No. 4880 because of the illegal conditions on Conversions adopted therein, conditions which the Staff Report attempted to impose.

First, as explained in further detail below, under California law, the state legislature has pre-empted local governments from attempting to pre-judge a Conversion as bona fide or not. Indeed, local governments are preempted from legislating in the area of mobilehome park Conversions entirely. In an effort to provide uniform statewide standards for Conversions and to encourage such Conversions, the state legislature enacted Government Code section 66427.5 to prevent local governments from imposing their own differing requirements on such Conversions, as the Staff Report here attempts to do. Accordingly, the County cannot deny Alimur's Application on the grounds that the Conversion is not "a bona fide resident conversion," as purportedly evidenced by the results of a resident survey suggesting that a majority of the park residents do not support the Conversion.

In fact, the County's definition of "bona fide" demonstrates that the County clearly misunderstands the term. A "bona fide" Conversion is not one in which the majority of the residents support the Conversion and/or purchase their lots. Rather a "bona fide" Conversion is one in which the park owner has a bona fide intent to and does offer the newly subdivided units in good faith to the residents for purchase. Conversely, a "sham" Conversion is one where the park owner purchases one of the newly created subdivided units, prices the remaining units at prohibitively expensive amounts, and claims exemption from local rent control ordinances, or

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Tess E. Fitzgerald, Clerk of the Board
Santa Cruz County
March 5, 2009
Page 3

merely initiates a Conversion to escape local rent control, without intending in good faith to sell the lots to park residents. See *El Dorado Palm Springs, Ltd. v. City of Palm Springs*, 96 Cal. App. 4th 1153, 1165 (2002) ("*El Dorado*").

If local government and/or residents contend after the true results of a Conversion can be determined, and based on known facts, that the park has not actually been converted to resident ownership, then they may obtain a court's determination that the Conversion has been a sham. That determination is premature at this stage, especially here, where we have concrete evidence, discussed further below, that the resident survey does not accurately reflect the sentiment of the Park residents, who were subject to a campaign of misinformation and harassment by the Park's resident homeowner's association ("HOA").

Here, Alimur has evidenced a bona fide intent to offer the lots to residents for purchase and has made every effort to solicit input from Park residents for months regarding all aspects of the Conversion, including possible incentives, to no avail. However, based on sentiments expressed in the resident letters attached to the Staff Report, we made the following offer in our letter to the Commission dated February 23, 2009 which we believe fairly addresses resident concerns and makes home ownership a feasible possibility for many of the Park residents. In order to make the lots even more affordable for Park residents, Alimur will offer the following incentives and protections if the Board approves the Application at Hearing: (i) a fifteen percent (15%) discount off the appraised fair market value on the purchase price of the unit, (ii) owner assisted financing for up to twenty percent (20%) of the purchase price at an interest rate of four percent (4%) over a ten (10) year period, (iii) and the extension of the statutory rent protection set forth for lower income residents in Section 66427.5, subd. (f)(2) to the moderate income residents such that a moderate income resident's rent increases would also be capped at the Consumer Price Index ("CPI"), or less. In Santa Cruz County, a two person household earning \$55,700 qualifies as low income (for a four person household, an annual income level of \$69,600 qualifies) and a two person household earning \$78,100 counts as moderate income (for a four person household, an annual income level of \$97,600 qualifies).

Second, the County simply cannot condition approval of Alimur's Application on compliance with its local regulations, permitting requirements, and/or General Plan. Pursuant to Subdivision (e) of Section 66427.5, local government authority is clearly restricted to determining whether an applicant for Conversion has complied with the requirements contained therein. Therefore, the County cannot deny the Application because it is allegedly inconsistent with the County Code's bona fides requirement, discussed above, the County General Plan's "Housing Element 4.7 goals, policies and objectives that seek to conserve the existing stock of affordable housing in the County," the General Plan's "Policy 6.5.5, which requires a secondary access way for any new subdivision in the Urban area where lots are more than 500 feet from a through road," and/or the County's alleged permitting requirements, as consistency with the aforementioned are not requirements under Section 66427.5.

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Furthermore, contrary to the Staff Report's allegations, a review of the County's General Plan reveals that the Conversion is consistent with the affordable housing provision in the General Plan. The General Plan states as one of its objectives the preservation of "the existing affordable housing" (General Plan, § 4.7 at p. 147). "Affordable" is defined as "[c]apable of purchase or rental by a household with moderate or lower income." (General Plan, Glossary of Terms at p. G-1.) Therefore, the Conversion is consistent with the General Plan in that it offers affordable **purchase** housing.

Additionally, the General Plan's Policy 6.5.5 only requires "a [vehicular] secondary access way for any **new** subdivision." (Staff Report at p. 3, emphasis added.) This provision is inapplicable to the Conversion, which does not involve any change in use and does not constitute a "new" subdivision. As the court made clear in *El Dorado*, "[A] change in form of ownership is not a change in use. After the change of ownership, the mobilehome park will remain a mobilehome park." 96 Cal. App. 4th at 1162. Also, contrary to the Staff Report's contention, the project plans for the Park did not "show a secondary access driveway" which is now blocked by Space No. 110. (Staff Report at p. 7, 11.) Rather, the Park's project plans provided for a pedestrian access, which does exist and is utilized by many tenants of the Park. Space No. 110 does not interfere with the use of that pedestrian path to Robertson Drive.

Third, despite the fact that the Park has an operating permit which specifically provides that 147 mobilehome units are permitted, the Staff Report incorrectly maintained that the Park was not in compliance with the County's permitting requirements because only 146 mobilehome units are allegedly permitted.² Although we noted that the record indicates the County was aware of and approved of the 147 lots in the Park, and that, regardless, this finding in and of itself was not adequate to support the denial of the Application as Section 66427.5, which limits local authority to determining compliance with the provisions of that section, in order to expedite approval of the Application, and without waiving any of Alimur's rights, we agreed to condition approval of the Application on closing one (1) unit in the Park. Furthermore, to address the concern in the Staff Report regarding the secondary vehicular access way, which is not required at the Park, is blocked, we agreed that the unit to be removed would be the one occupying Space No. 110.

In light of the clear state law, and the additional compromises we have offered to expedite approval, the Board of Supervisors must approve the Application.

² The relevant documents mentioned herein were be submitted into the record at the Planning Commission hearing on this matter.

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I. The County's Power Is Strictly Limited To Determining If Owners Have Complied With Specific Requirements Of Government Code Section 66427.5

As we have repeatedly advised the County, under California law, local government authority with regards to Conversions is strictly limited to determining if applicants have complied with the requirements enumerated in Government Code section 66427.5. To deny the Application on the grounds set forth in the Staff Report, which were wholly unrelated to compliance with Section 66427.5, is therefore illegal under California law.

The California Court of Appeal directly addressed the limitations on local government's authority in reviewing a mobilehome park Conversion application in the seminal *El Dorado* case and held that local governments **"only had the power to determine if [the applicant] had complied with the requirements of [Section 66427.5]."** 96 Cal. App. 4th at 1163-64 (emphasis added). In fact, this law firm was responsible for successfully litigating this very issue in *El Dorado*, as well as in several trial court cases throughout California.

In *El Dorado*, the City of Palm Springs ("Palm Springs") conditionally approved El Dorado's mobilehome park Conversion application; however, the Palm Springs City Council imposed three conditions not found in Government Code section 66427.5. *See id.* at 1156-57. The Court of Appeal applied the plain and unambiguous language of the statute and held that Palm Springs had no power or authority to impose conditions on El Dorado's Conversion application other than those found in Section 66427.5.

Although Palm Springs argued that the conditions it imposed were designed to prevent an abuse of the Conversion process by a possible fraudulent or "sham" Conversion intended only to avoid the local rent control ordinance, the Court found that "section 66427.5, subdivision (d) provides that 'The scope of the hearing shall be limited to the issue of compliance with this section.' Thus, the City lacks authority to investigate or impose additional conditions to prevent sham or fraudulent transactions at the time it approves the tentative or parcel map." *Id.* at 1165 (emphasis added).

Accordingly, under *El Dorado*, the County's authority is strictly limited to confirming that Conversion applications comply with the requirements contained in Government Code section 66427.5.³ The County cannot condition approval of the Application on the requirements discussed in the Staff Report, which are not contained in Section 66427.5.

³ Section 66427.5 requires, in sum, (1) that existing tenants each receive an option to either purchase their lot or continue their tenancy, (2) that the applicant file a tenant impact report on the Conversion, (3) the applicant submit a survey of support for the proposed Conversion by written ballot from the residents, (4) that the applicant shall be subject to a hearing by the local

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The *El Dorado* court conclusively determined that: (i) Government Code section 66427.5 controls a mobilehome park Conversion from a rental park to a resident-owned park (*Id.* at 1158-63); (ii) the purpose of Government Code section 66437.5 is to provide uniform statewide standards for converting rental parks into resident-owned parks, thereby promoting Conversions to home ownership (*Id.* at 1169-1170); (iii) the requirements set out in Government Code section 66427.5 are exclusive and local government has no authority to impose additional conditions (*Id.* at 1164, 1166); (iv) if the requirements of Government Code section 66427.5 are met, the local agency must approve the Conversion application (*Id.* at 1165, 1167); (v) local government does not have the ability or the authority to determine whether a Conversion is "bona-fide" or not (*Id.* at 1165); and (vi) mobilehome park residents do not have and cannot have the ability to veto a Conversion by withholding support for a Conversion application (*Id.* at 1172, 1181-82).

II. The 2002 Amendment to Section 66427.5 Adding A Requirement Of A Survey Of Resident Support Did Not Confer Additional Authority On Local Governments

In 2002, post-*El Dorado*, the Legislature amended Government Code section 66427.5 to add the requirement that the applicant obtain a survey of resident support to the other pre-existing statutory requirements ("2002 Amendment"). See Cal. Gov. Code, § 66427.5(d). However, **the Legislature did not amend in any way the scope of authority of the local government.** Rather, local government is restricted to determining whether the survey of resident support ("Survey") is conducted and submitted in accordance with the requirements set forth in Section 66427.5.

The Legislature left in place and untouched the explicit provision which the *El Dorado* court found dispositive on the issue of local governments' lack of authority to investigate or impose additional conditions to prevent sham or fraudulent Conversions at the time of tentative map approval: "The scope of the hearing shall be limited to the issue of compliance with this section." Cal. Gov. Code, § 66427.5, subd. (e) (formerly Gov't Code, § 66427.5, subd. (d); see *El Dorado*, 96 Cal. App. 4th at 1165. If the Legislature had intended to allow the added requirement of a resident survey to give the local agency authority to deny the application based on survey results, it certainly would not have left this language in place.

The *El Dorado* court specifically rejected the contention that a Conversion application requires any level of resident support for its legitimacy or its approval. Indeed, giving park residents effective veto would directly conflict with the legislative intent to foster and encourage Conversions and provide for uniform statewide requirements. *Id.* at 1172, 1182.

government limited to the issue of compliance with Section 66427.5, and (5) that state rent control, as detailed in subdivision (f), applies to all tenants who elect not to exercise their right to purchase.

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Again, nothing in the 2002 Amendment changed the statute or the legislature's intent not to allow residents to veto or block the Conversion. As the AB 930 Assembly Bill analysis explains:

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**. It is foreseeable that the results of this survey could be used to argue to a court that the conversion is a sham and that the rent formulas in Section 66427.5 should not be applied. **The fact that a majority of residents do not support the conversion is not however an appropriate means for determining the legitimacy of the conversion. The law is not intended to allow park residents to block a request to subdivide.** Instead, the law is intended to provide some measure of fiscal protection to nonpurchasing residents. (Emphasis added.)

The legislative history of the 2002 Amendment adding the Survey requirement explicitly states that "[t]he law is not intended to allow park residents to block a request to subdivide," yet, this is exactly what the Staff Report proposed. The Staff Report called for the County to pre-judge at the time of application whether the Conversion is "bona fide" based on the level of resident support. This clearly gives park residents power to block a Conversion application and is illegal in light of state statutes and *El Dorado*.

If the County conditions approval of the Application on resident support, it would completely undermine the entire purpose behind the state statute to provide uniformity of conditions on Conversions throughout the state and to encourage such Conversions.

III. Only The Courts, And Not The County, Have The Authority To Determine Whether A Conversion Is Not "Bona Fide"

As previously stated, Section 66427.5 does not give the County the authority to define a bona fide Conversion, to decide whether an applicant's Conversion application is "bona fide" or not, or to set its own criteria for determining whether a Conversion is bona fide or not. See, *El Dorado*, 96 Cal. App. 4th at 1165 ("[T]he City lacks authority to investigate or impose additional conditions to prevent sham or fraudulent transactions at the time it approves the tentative or parcel map."). To the contrary, Section 66427.5 explicitly limits the County's authority to a determination of whether its specific requirements have been met. Permitting the

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County to block a Conversion because it has decided for itself that the proposed Conversion is not bona fide, according to criteria it arbitrarily established, would defeat the legislative intent to promote Conversions to resident-ownership and to establish uniform statewide standards for such Conversions.

The Legislature amended Section 66427.5 only to add the requirement that the applicant obtain a survey of resident support to the other pre-existing statutory requirements. The Legislature did not amend in any way the scope of authority of the local government. Rather, it is the duty of *the courts* to ensure that a park owner cannot use a failed or fraudulent Conversion to escape local rent control. *El Dorado*, 96 Cal. App. 4th at 1165-1166 and 1166 n. 10; *see also Donohue v. Santa Paula West Mobile Home Park*, 47 Cal.App.4th 1168 (1996) ("*Donohue*"). In the event of a sham or unsuccessful Conversion, a court will refuse to apply the state rent provisions of Section 66427.5 in place of local rent control. *Id.* In this way, residents are protected from any unscrupulous park owner that might attempt to escape local rent control through a so-called "sham" Conversion.

In *Donohue*, a Conversion application was filed and approved. However, the park residents were never able to obtain necessary financing and no lots were ever offered for sale or sold. In essence, the Conversion process collapsed shortly after it had begun and no resident owned any part of the park. Nevertheless, the park owner attempted to increase rents by the amounts permitted under Section 66427.5. The park residents therefore sought injunctive and declaratory relief that the park owner was not permitted to invoke the state rent control provisions of Section 66427.5. The Court agreed. It found that no Conversion had occurred, and therefore the park owner could not invoke Section 66427.5's rent provisions. *Donohue*, 47 Cal.App.4th at 1173-1177. The *El Dorado* court later stated, "[A]s *Donohue* illustrates, *the courts* will not apply section 66427.5 to sham or unsuccessful conversions." *El Dorado*, 96 Cal. App. 4th at 1166 n. 10, (emphasis added).

If and when the subdivider claims the Conversion has occurred and state rent control governs the rents chargeable to tenants who elect not to buy, any serious contention that the Conversion is fraudulent or illegitimate can and should be addressed to the courts just as in *Donohue*. *See El Dorado*, 96 Cal. App. 4th at 1165-1166 and 1166 n. 10; *Donohue*, 47 Cal.App.4th at 1168. A court can evaluate the Conversion process as a whole, including the number of tenants who indicated an intent to buy, the number of escrows opened, the availability of financing at the prices offered, etc. If these and other facts demonstrate a sham in violation of state law, there is no doubt that a court would invalidate the Conversion and confirm that the park remains a rental facility subject to local rent control. That inquiry is premature at the time local government considers the Conversion application – the first step in a long and highly regulated process. Moreover, Section 66427.5 makes clear it is not within the local authority's power to investigate or regulate these matters as part of the tentative tract map approval process.

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Nothing in the 2002 Amendment changes this process. The Survey merely provides additional facts that might be considered if the Conversion is challenged.

Finally, we note that here the resident surveys do not even accurately reflect the sentiment of the Park residents, who were subject to a campaign of misinformation and harassment by the Park's HOA. That residents were fed misinformation is clear in the residents letters attached to the Staff Report, many of which are from low income residents who are nonetheless concerned about being displaced through increased rents. (Staff Report at p. 20, 21, 26, 27, 44.) As we have repeatedly advised the County and the residents, low income residents are protected from displacement by the state statutory rent protection provided in Section 66427.5, which would limit the rent increases for low income residents to the increase in the CPI, or less, for as long as they continue to rent. In addition to this clear campaign of misinformation by the HOA, we submitted evidence that the HOA has harassed Park residents and attempted to intimidate residents into voting against the Conversion.

IV. Alimur's Conversion Is Bona Fide.

As discussed above, contrary to the Staff Report's contentions, the definition of bona fide relates only to the bona fide intent of park owners to convey lots to residents following Conversion, rather than using the Conversion merely to circumvent local rent control in a sham transaction. Accordingly, even if the County did have authority to adjudge the bona fides of a Conversion, which it does not, here was no dispute that the Conversion was bona fide and that Alimur had a good-faith intent to convey the lots to Park residents. Among other things, Alimur offered: (i) a fifteen percent (15%) discount off the appraised fair market value on the purchase price of unit, (ii) owner assisted financing for up to twenty percent (20%) of the purchase price at an interest rate of four percent (4%) over a ten (10) year period, (iii) and the extension of the statutory rent protection set forth for lower income residents in Section 66427.5, subd. (f)(2) to the moderate income residents such that a moderate income resident's rent increases would also be capped at the Consumer Price Index, or less. Even Section 14.08.070(C)(2) specifically states that 50% resident support is unnecessary where the applicant demonstrates that the proposed Conversion is bona-fide.

V. The County Can Not Condition Approval Of A Conversion Application On Consistency With The County's Local Regulations, Permitting Requirements, And/Or General Plan.

The Staff Report recommended denial of the Application because it was allegedly inconsistent with the local regulations, permitting requirements and General Plan. However, a tentative map or preliminary parcel map for a residential use Conversion need comply only with the requirements of Government Code section 66427.5. Government Code section 66427.5, subd. (e) states unequivocally, "The scope of the hearing shall be limited to the issue of compliance with this section." *El Dorado*, 96 Cal. App. 4th at 1163-64, confirmed that the

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County only has the power to determine compliance with Government Code section 66427.5. The County must approve an application if it complies with Section 66427.5 whether it is consistent with the County's local regulations, permitting requirements, and General Plan or not. *See id.* at 1165. Accordingly, by conditioning approval of the Application on consistency with the County's local regulations, permitting requirements, and General Plan, the Staff Report imposed an illegal condition on approval.

Indeed, not only was the condition of consistency illegal, but the Staff Report's finding of inconsistency was inaccurate. For example, contrary to the allegations in the Staff Report, the evidence showed that the Conversion was consistent with the General Plan's goal to "seek to conserve the existing stock of affordable housing in the County." (Staff Report at p. 3.) The General Plan defines "[a]ffordable" as "[c]able of purchase or rental by a household with moderate or lower income." (General Plan, Glossary of Terms at p. G-1.) Therefore, the Conversion was clearly consistent with the General Plan in that it offered affordable **purchase** housing.

The Staff Report also alleged the Conversion was inconsistent with the County's General Plan in that the Park does not have a "secondary access way" pursuant to the General Plan's Policy 6.5.5 because Space No. 110 allegedly blocks said access. The Staff Report further contended that the Park was not in compliance with the County's permitting requirements because there are 147 mobilehome units whereas the Park is allegedly permitted only for 146 units. As discussed above, neither of these findings were adequate to support the Commission's recommendation of denial because Section 66427.5 limits local authority to determining compliance with the provisions of that section. Furthermore, denial of the Application is not the appropriate remedy for these alleged inconsistencies, which more properly require notices of non-compliance and adherence to certain administrative procedures.

Moreover, the Staff Report's findings were simply incorrect. For example, contrary to the assertions in the Staff Report (Staff Report at p. 3), a secondary vehicular access road was never a requirement of the Park. The record indicates only that a pedestrian access was required. Such access does exist and is utilized by many tenants of the Park. Space No. 110 does not interfere with the use of that pedestrian path to Robertson Avenue. In addition, also contrary to the claims in the Staff Report, the Park has an operating permit that specifically provides that 147 mobilehome units are permitted. Our records indicate that the County has been fully aware of this fact and has approved of the Park as a 147 unit mobilehome park.

However, in order to expedite approval of the Application, and without waiving any of Alimur's rights, we had agreed to condition approval of the Application on closing Space No. 110, which the Staff Report alleged was blocking the secondary access way, thereby addressing both of the concerns raised in the Staff Report.

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VI. Alimur Will Seek Damages Against The County For A Delay In The Approval Of Its Conversion Application.

The Court of Appeal's holding in *El Dorado* and decisions by other courts have made very clear that local governments are pre-empted from imposing conditions on mobilehome park Conversions beyond those set forth in Section 66427.5. If Alimur is forced to seek court intervention to obtain approval of its Application, any delay incurred will cause damages to Alimur.

Any delay caused by the County to the Conversion will cause the County to be liable for inverse condemnation, or "takings," damages. The proper measure of damages for a taking would award the landowner "the return on the portion of fair market value that is lost as a result of regulatory restriction," or "the market rate return computed over the period of the temporary taking on the difference between the property's fair market value without the regulatory restriction and its fair market value with the restriction." *Wheeler v. County of Pleasant Grove*, 833 F.2d 267, 270-71 (11th Cir. 1987). Courts are in agreement that appreciation of the property during a taking must not be factored into the inverse condemnation damages calculation. See *Wheeler*, 833 F.2d at 271; *Herrington v. County of Sonoma*, 790 F. Supp. 909, 914 (N.D. Cal. 1991), *aff'd*, 12 F.3d 901 (9th Cir. 1993).

A handful of local governments, in a misguided attempt to frustrate and delay Conversions, have either passed illegal ordinances attempting to impermissibly regulate Conversions, such as the County's Ordinance No. 4880, or have approved illegal resolutions which have impermissibly denied applications for Conversions. With one exception, these attempts have all failed.⁴

Thus far, this firm has obtained several writs of mandate from trial courts throughout California, including Riverside County, Los Angeles County, San Mateo County, and Santa Barbara County, compelling local governments to correct their illegal attempts to frustrate and delay Conversions. Specifically, we have obtained writs (i) compelling two (2) local governments to overturn resolutions which impermissibly denied Conversion applications for their alleged failure to evidence resident support; (ii) invalidating a local ordinance that attempted to impose illegal conditions on Conversions, such as requiring that applicants meet certain health and safety requirements within the parks, provide certain maintenance documents and engineering reports, and submit a tenant impact report containing extensive and burdensome information not within the local government's proper discretion or consideration, in violation of

⁴ The exception is with regards to the County of Sonoma in *Sequoia Park Associates v. County of Sonoma*, Sonoma County Superior Court, Case No. SCV 240003. There, a temporary judge issued a bare-bones opinion less than one page long upholding a facial challenge to Sonoma County's ordinance regulating Conversions. This case is currently on appeal.

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Section 66427.5; (iii) vacating a resolution requiring an Environmental Impact Report as part of the Conversion process; (iv) vacating ordinances which imposed illegal temporary moratoriums on Conversions; (v) overturning the requirement that Conversions must comply with local general plans and/or specific area plans, including affordable housing requirements; and, (vi) overturning the requirement that an applicant make changes to a park's infrastructure to allegedly address health and safety concerns.

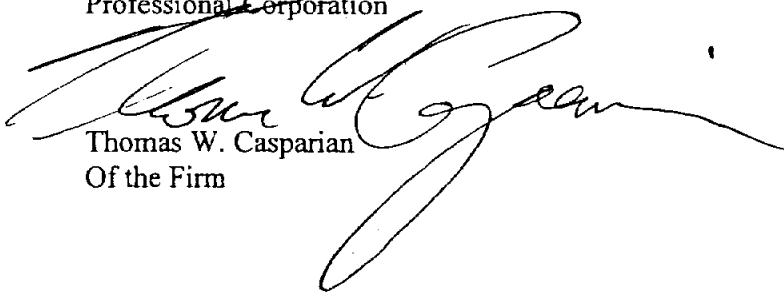
In addition, we are currently pursuing claims for damages against the local governments involved in these actions and have recently settled a suit for approximately \$1 million against the City of Palm Springs for its actions in the seminal *El Dorado* case, discussed above.

Alimur hopes that the Board of Supervisors rejects the Commission's recommendation and approve the Application. If the County denies and/or delays the Conversion however, we will be forced to bring claims against the County for inverse condemnation and other wrongful acts.

Please include this letter and all letters the County Counsel's office has been copied on regarding this matter in the record of proceedings on this matter.

Very truly yours,

GILCHRIST & RUTTER
Professional Corporation


Thomas W. Casparian
Of the Firm

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cc: Dana McRae, County Counsel (Via FedEx)

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Senate Select Committee on Mobile and Manufactured Homes

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0581

SENATOR
LOU CORREA
CHAIR

Conversion of Mobilehome Parks to Subdivisions or Condominiums February 28, 2007 Hearing

Background Paper

Synopsis of Issue: Within the last few years, a growing number of mobilehome park owners have been utilizing a special provision of the state's Subdivision Map Act to convert their parks to so-called resident owned condominiums or subdivisions, which thereby exempts the parks from local mobilehome rent control. Condominium interests in mobilehome park spaces must be offered to renting homeowners, and low-income homeowners who cannot afford to buy can continue to rent their spaces under the statute which limits annual rent increases, including "pre-conversion" pass-through fees, to the Consumer Price Index (CPI). However, non-purchasing residents who are not low income no longer have rent control protection upon the conversion and may have their rents increased to higher so-called "market levels" over four years.

Park owners argue this is a property rights issue and that "park condo conversion" – as it is known in the vernacular – is one of the few methods by which they can recapture the market value of their parks in rent control jurisdictions, as well as bring rents for non-buying non-low income residents, who they say are usually able to pay a greater share of their rental housing costs, up to "market."

Residents claim the state law in question was not originally intended to be used by park owners to convert parks to resident ownership and is now being adapted to allow parks to circumvent local rent control, gentrify affordable housing and economically evict low-moderate income homeowners, many of whom cannot afford the asking prices for their spaces or "condo" interests.

This is fast becoming a major issue in the housing "arena" in many areas of the state and involves the interplay of a number of different laws or regulations, both state and local.

Mobilehome Parks: In California, there are 4,822 mobilehome parks and manufactured housing communities listed on the California Department of Housing and Community Development's Mobilehome & RV Park website, not including parks owned by public

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entities. The Select Committee conservatively estimates there are about 700,000 residents living in these parks. In the vast majority of parks, mobilehome residents own their homes but rent the spaces on which their homes are installed from the park on a month-to-month or long-term lease arrangement. Most of the 4,822 listed parks are owned by private investor groups, operators or owners, but an estimated 150 parks are owned by resident organizations or by non-profit organizations.

Local Rent Control: Many mobilehome owners are long-time park residents, often seniors on low or moderate incomes. Since 1977, due to complaints from residents in some parks about high rent increases, and local governments' concerns about the need to preserve affordable housing in their communities to meet general plan requirements, 102 local agencies (mostly cities), according to figures compiled by the Select Committee from various sources, have enacted some form of mobilehome park rent control in California. Provisions of these ordinances vary by jurisdiction but all allow some form of annual rent increase, usually based on the CPI or a percentage of the CPI for the region. A slight majority of rent control jurisdictions have a vacancy decontrol feature, meaning that upon a vacancy or change of tenancy for a space in a park, the space is 'decontrolled' from the rent ordinance. The others have so-called vacancy control, which does not permit the decontrol of a space from the ordinance upon a change in tenancy but may, under some ordinances, allow an additional one-time rental adjustment, such as up to a 10% increase of the current rent. Park residents may feel rent control is the only protection they have from economic eviction, while park owners believe it inhibits the profitability of their investment and resale of their parks. There have been a number of legislative and legal battles over the years. State legislation passed in 1985 (SB 1352 [Leroy Greene]) provides that parks may offer leases to residents with a term of more than one year that are exempt from local rent control. Since SB 1352, there have been several unsuccessful legislative attempts by resident groups to prevent parks from requiring that new residents sign such exempt leases as a condition of tenancy. In 1996 park owners campaigned to pass Proposition 199, a statewide ballot initiative designed to phase out mobilehome park rent control, but the measure was rejected by the voters. Some park owners have successfully sued local governments over their rent ordinances, but in other cases the local governments have prevailed or the issue has been settled. As park rents climb in non-rent control jurisdictions, the rent control controversy continues.

Resident Park Ownership: In the mid-1980's, as an alternative to problems of increasing park rents for low and moderate income residents or the closure of some parks and displacement of residents, the concept of resident owned parks (ROP), where residents form a homeowners association to purchase a park for sale and convert it to a mobilehome subdivision, condominium, stock co-operative or non-profit ownership, gained in popularity. Between 1984 and 1996, the Legislature, responding to this issue, enacted a number of laws to encourage resident ownership, including a property tax freeze on the initial sale assessed value of parks converted and sold to resident owners,

and the Mobilehome Park Resident Ownership Program (MPROP) (SB 2240 [Seymour] 1984), a limited loan program with funding to assist homeowner associations and low-income residents in purchasing their parks. According to figures from HCD, MPROP, with about \$3 million in annual funding from a surtax on mobilehome owner registration fees and loan paybacks, has assisted homeowner associations and low-income residents in 75 park conversions since 1985. The Legislature has also enacted various changes to the Subdivision Map Act, exempting or simplifying the ROP conversion process.

Subdivided Lands Act: Due to concerns about the fraudulent marketing of subdivided lands, the Legislature over the years has enacted various provisions of the Subdivided Lands Act, administered by the Department of Real Estate (DRE), to assure that offers to buyers include what was agreed to at the time of purchase. (Business & Professions Code Section 11000 et seq.) The Act applies to most subdivisions and common interest developments, including condominium conversions. These provisions do not address land use, rent or relocation issues, but rather provide a DRE approved public report containing disclosures to prospective buyers of covenants, conditions and restrictions which govern the use of property, assessments and reserves necessary for maintaining homeowners' associations and common areas, and other related disclosures. After the last remaining subdivided interest is sold, DRE's jurisdiction ceases.

Subdivision Map Act: Like zoning and use permits, the subdivision map process is a local land use planning tool. Although the original state Subdivision Map Act dates from 1907, the Act was significantly strengthened by the Legislature in the 1970's to include, among others, lot-splits and condominium conversions. In 1980, the Legislature enacted a provision specifically giving local governments the power to regulate the subdivision of a mobilehome park to another use, including requirements that the displacement of mobilehome residents be mitigated (Government Code Section 66427.4) (SB 1722 [Craven]). Therefore, before individual lots in a park could be sold and converted to a resident-owned subdivision or condominium, the Subdivision Map Act required a subdivision map to be filed and approved by the local jurisdiction, which could impose its various own conditions on the map to mitigate economic displacement of non-purchasing residents, such as relocation assistance, assurance that a majority of residents supported the conversion, etc. But park conversion consultants contended that by imposing "unreasonable" conditions on the subdivision map, some local governments were actually hampering ROP conversions by making it more expensive for residents to buy and operate the park. Hence, the Legislature enacted Government Code Section 66428.1 in 1991, exempting, with certain exceptions, a park conversion where two-thirds of the mobilehome owners in a park support it from parcel, tentative or final map requirements (AB 1863 [Hauser]). Due to continuing concerns from some resident groups and conversion consultants, in 1995 the Legislature further diluted the power of local governments to regulate the conversion of parks to resident-owned condominiums or subdivisions with the enactment of Government Code Section 66427.5 (SB 310

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[Craven]). This provision did not have a homeowner support requirement but established a minimum state standard for mitigation of the economic displacement of non-purchasing residents, as previously described. (See Government Code Section 66427.5, attached). By establishing a state rent formula for low-income residents, Section 66427.5 thereby pre-empted a local rent ordinance from regulating rents in a converted ROP park. This is the provision, now being used by park-owner driven resident conversions, which is the center of debate on the "park condo" issue.

El Dorado Case: In 1993, the park owner of the El Dorado Mobile Country Club, a 377-space mobilehome park in Palm Springs, filed a tentative subdivision map with the city as a first step in converting his park to resident ownership. This was the first known case of a park converted to resident ownership by a park owner, as contrasted with most ROP conversions, which had been initiated by resident homeowner associations. The City of Palm Springs, concerned about allegations that the conversion was a "sham" driven by a park owner whose motive, according to some park residents at the time, was to sell a few lots in the park to circumvent the city's rent control and other local regulations, imposed several conditions on the map. These included, among others, that the map would not be effective (meaning the park would not be exempt from city rent control) until 50%-plus-1 of the lots were sold to residents. The El Dorado park owner sued the city, claiming the effective date of conversion was when one lot was sold and that the city had exceeded its authority under the state's Subdivision Map Act to impose more stringent requirements for a park conversion, as it might do for other kinds of conversions, such as conversion of an apartment to a condominium. Although the city won the first round, the park appealed, and the 4th District Court of Appeal reversed (El Dorado Palm Springs, Ltd., v. City of Palm Springs, 2001). The appellate court ruled that the city was limited by the state's Subdivision Map Act and opined that the question of whether there should be more protections in the statute to prevent "sham" resident conversions by park owners was a legislative, not legal, issue.

The Keeley Bill: As a result, AB 930 (Keeley, 2002) was introduced to permit local governments to impose additional requirements on the conversion of a mobilehome park to a ROP subdivision or condominium. The bill was heavily lobbied and debated, with mobilehome owners, housing advocates and local governments supporting the bill and park owners opposing it. As finally passed and signed by the Governor, the Keeley bill allowed local governments to require park owners as part of the map act process to provide the city with "a survey of support" indicating resident support for a proposed ROP conversion and included un-codified language stating the bill was intended to assure such conversions were "bona fide" in accordance with the El Dorado case. Because the language was not clear, there are differing views on whether a city can deny a "park condo conversion" if the survey showed little or no resident support for the conversion. (See un-codified language as an addendum to Section 66427.5, attached)

Epilogue: Within the last year and a half, a number of mobilehome parks have either notified their residents of the park's intent to convert or have actually applied to local governments for a map to convert their rental parks to a park condominium under Government Code Section 66427.5. The Select Committee has been able to document 12 such parks to date statewide, although a newspaper article has quoted Sheila Dey, Executive Director of the Western Manufactured Housing Communities Association (WMA), a park owner industry association, as using the figure of 30 parks (WMA members) that are planning such conversions (*Daily Breeze*, [Torrance, CA], Sunday, January 28, 2007 article by Gene Maddus). To date, park-owner initiated conversions appear to be taking place in Buellton, Carson, Ojai, Vallejo, Sonoma County, Santa Rosa, Healdsburg, Rohnert Park, and San Luis Obispo County. Some local governments have placed temporary moratoriums on these conversions, although at least one jurisdiction is reportedly being sued by a park owner over the moratorium.

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Attachment I

Section 66427.5 of the Government Code:

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 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 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 Sec. 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.

AB 930 (Keeley, 2002), Un-codified Intent Language:

SEC. 2. 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 Palm Springs, Ltd. 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 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.

Attachment II**Section 66427.4 of the Government Code:**

66427.4. (a) At the time of filing a tentative or parcel map for a subdivision to be created from the conversion of a mobilehome park to another use, the subdivider shall also file a report on the impact of the conversion upon the displaced residents of the mobilehome park to be converted. In determining the impact of the conversion on displaced mobilehome park residents, the report shall address the availability of adequate replacement space in mobilehome parks.

(b) 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.

(c) The legislative body, or an advisory agency which is authorized by local ordinance to approve, conditionally approve, or disapprove the map, may require the subdivider to take steps to mitigate any adverse impact of the conversion on the ability of displaced mobilehome park residents to find adequate space in a mobilehome park.

(d) This section establishes a minimum standard for local regulation of conversions of mobilehome parks into other uses and shall not prevent a local agency from enacting more stringent measures.

(e) This section shall not be applicable to a subdivision which is created from the conversion of a rental mobilehome park to resident ownership.

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CHAPTER 744

An act to add Section 42409 to the Health and Safety Code, relating to air pollution.

[Approved by Governor October 8, 1991. Filed with
Secretary of State October 9, 1991.]

The people of the State of California do enact as follows:

SECTION 1. Section 42409 is added to the Health and Safety Code, to read:

42409. Every district shall publish in writing and make available to any interested party a list which describes potential violations subject to penalties under this article. The list shall also include the minimum and maximum penalties for each violation which may be assessed by a district pursuant to this article.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act. Notwithstanding Section 17580 of the Government Code, unless otherwise specified in this act, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

CHAPTER 745

An act to amend Sections 66427.4 and 66428 of, and to add Sections 66427.5 and 66428.1 to, the Government Code, and to amend Section 50786 of the Health and Safety Code, relating to mobilehomes, and making an appropriation therefor.

[Approved by Governor October 8, 1991. Filed with
Secretary of State October 9, 1991.]

The people of the State of California do enact as follows:

SECTION 1. Section 66427.4 of the Government Code is amended to read:

66427.4. (a) At the time of filing a tentative or parcel map for a subdivision to be created from the conversion of a mobilehome park to another use, the subdivider shall also file a report on the impact of the conversion upon the displaced residents of the mobilehome park to be converted. In determining the impact of the conversion on displaced mobilehome park residents, the report shall address the availability of adequate replacement space in mobilehome parks.

(b) The subdivider shall make a copy of the report available to

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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.

(c) The legislative body, or an advisory agency which is authorized by local ordinance to approve, conditionally approve, or disapprove the map, may require the subdivider to take steps to mitigate any adverse impact of the conversion on the ability of displaced mobilehome park residents to find adequate space in a mobilehome park.

(d) This section establishes a minimum standard for local regulation of conversions of mobilehome parks into other uses and shall not prevent a local agency from enacting more stringent measures.

(e) The subdivider shall offer each existing tenant an option to purchase his or her condominium unit which is to be created by the conversion of the park into condominium interests or to continue residency as a tenant. In the event that the tenant elects to continue residency as a tenant in a park created pursuant to Chapter 11 (commencing with Section 50780) of Part 2 of Division 31 of the Health and Safety Code, Section 66427.5 shall be applicable.

SEC. 2. Section 66427.5 is added to the Government Code, to read:

66427.5. At the time of filing a tentative or parcel map for a subdivision to be created 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, the subdivider shall avoid the economic displacement of all nonpurchasing residents in the following manner:

(a) 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.

(b) 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.

SEC. 3. Section 66428 of the Government Code is amended to read:

66428. (a) Local ordinances may require a tentative map where

a parcel map is required by this chapter. A parcel map shall be required for subdivisions as to which a final or parcel map is not otherwise required by this chapter, unless the preparation of the parcel map is waived by local ordinance as provided in this section. A parcel map shall not be required for either of the following:

(1) Subdivisions of a portion of the operating right-of-way of a railroad corporation, as defined by Section 230 of the Public Utilities Code, which are created by short-term leases (terminable by either party on not more than 30 days' notice in writing).

(2) Land conveyed to or from a governmental agency, public entity, public utility, or for land conveyed to a subsidiary of a public utility for conveyance to that public utility for rights-of-way, unless a showing is made in individual cases, upon substantial evidence, that public policy necessitates a parcel map.

(b) A local agency shall, by ordinance, provide a procedure for waiving the requirement for a parcel map, imposed by this division, including the requirements for a parcel map imposed by Section 66426. The procedure may include provisions for waiving the requirement for a tentative and final map for the construction of a condominium project on a single parcel. The ordinance shall require a finding by the legislative body or advisory agency, that the proposed division of land complies with requirements established by this division or local ordinance enacted pursuant thereto as to area, improvement and design, floodwater drainage control, appropriate improved public roads, sanitary disposal facilities, water supply availability, environmental protection, and other requirements of this division or local ordinance enacted pursuant thereto. In any case, where the requirement for a parcel map is waived by local ordinance pursuant to this section, a tentative map may be required by local ordinance.

(c) If a local ordinance does not require a tentative map where a parcel map is required by this division, the subdivider shall have the option of submitting a tentative map, or if he or she desires to obtain the rights conferred by Chapter 4.5 (commencing with Section 66498.1), a vesting tentative map.

SEC. 4. Section 66428.1 is added to the Government Code, to read:

66428.1. (a) When at least two-thirds of the owners of mobilehomes who are tenants in the mobilehome park sign a petition indicating their intent to purchase the mobilehome park for purposes of converting it to resident ownership, and a field survey is performed, the requirement for a parcel map or a tentative and final map shall be waived unless any of the following conditions exist:

(1) There are design or improvement requirements necessitated by significant health or safety concerns.

(2) The local agency determines that there is an exterior boundary discrepancy that requires recordation of a new parcel or tentative and final map.

(3) The existing parcels which exist prior to the proposed

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conversion were not created by a recorded parcel or final map.

(4) The conversion would result in the creation of more condominium units or interests than the number of tenant lots or spaces that exist prior to conversion.

(b) The petition signed by owners of mobilehomes in a mobilehome park proposed for conversion to resident ownership pursuant to subdivision (a) shall read as follows:

MOBILEHOME PARK PETITION AND DISCLOSURE STATEMENT

SIGNING THIS PETITION INDICATES YOUR SUPPORT FOR CONVERSION OF THIS MOBILEHOME PARK TO RESIDENT OWNERSHIP. THIS DISCLOSURE STATEMENT CONCERNS THE REAL PROPERTY SITUATED IN THE CITY OF _____, COUNTY OF _____, STATE OF CALIFORNIA, DESCRIBED AS _____ THE TOTAL COST FOR CONVERSION AND PURCHASE OF THE PARK IS \$_____ TO \$_____, EXCLUDING FINANCING COSTS. THE TOTAL COST TO YOU FOR CONVERSION AND PURCHASE OF YOUR OWNERSHIP INTEREST IS \$_____ TO \$_____, EXCLUDING FINANCING COSTS. IF TWO-THIRDS OF THE RESIDENTS IN THIS PARK SIGN THIS PETITION INDICATING THEIR INTENT TO PURCHASE THE MOBILEHOME PARK FOR PURPOSES OF CONVERTING IT TO RESIDENT OWNERSHIP, THEN THE REQUIREMENTS FOR A NEW PARCEL, OR TENTATIVE AND FINAL SUBDIVISION MAP IN COMPLIANCE WITH THE SUBDIVISION MAP ACT MUST BE WAIVED, WITH CERTAIN VERY LIMITED EXCEPTIONS. WAIVING THESE PROVISIONS OF LAW ELIMINATES NUMEROUS PROTECTIONS WHICH ARE AVAILABLE TO YOU.

Buyer, unit #, date

Petitioner, date

(c) The local agency shall provide an application for waiver pursuant to this section. After the waiver application is deemed complete pursuant to Section 65943, the local agency shall approve or deny the application within 50 days. The applicant shall have the right to appeal that decision to the governing body of the local agency.

(d) If a tentative or parcel map is required, the local agency shall not impose any offsite design or improvement requirements unless these are necessary to mitigate an existing health or safety condition. No other dedications, improvements, or in-lieu fees shall be required by the local agency. In no case shall the mitigation of a health or safety condition have the effect of reducing the number, or changing the location, of existing mobilehome spaces.

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Senate Bill No. 310

CHAPTER 256

An act to amend Section 11010.8 of, and to add Section 11010.9 to, the Business and Professions Code, to amend Section 7312 of the Corporations Code, and to amend Sections 66427.4 and 66427.5 of the Government Code, relating to mobilehome parks.

[Approved by Governor August 1, 1995. Filed with
Secretary of State August 1, 1995.]

LEGISLATIVE COUNSEL'S DIGEST

SB 310, Craven. Mobilehome parks: conversion to resident ownership.

(1) Existing law regulates mobilehome parks in various capacities, including requiring a subdivider, at the time of filing a tentative or parcel map for a subdivision to be created using financing or funds from a specified source, to avoid the economic displacement of nonpurchasing residents, as specified, and file a report, as specified, regarding the impact of the conversion upon the displaced residents of the mobilehome park to be converted. Existing law also requires a subdivider to offer each existing tenant the option to purchase his or her condominium unit, which is to be created by conversion of a mobilehome park into condominium units.

This bill would replace the reference to subdivisions from the specified funding source with a reference to subdivisions created from the conversion of a rental mobilehome park to resident ownership, and 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. This bill would also reorganize certain existing provisions relating to the option to purchase condominium units and interests. This bill would specify that the provisions relating to avoiding economic displacement and the report on the impact of the conversion shall not apply to the conversion of a rental park to resident ownership.

(2) Existing law regulates the membership of nonprofit mutual benefit corporations, and generally prohibits the holding of multiple or fractional memberships in these corporations, with certain exceptions.

This bill would add to the specified exceptions by providing that a bona fide secured party who, pursuant to a security interest in a membership in a mobilehome park acquisition corporation, as defined, has taken title to the membership, and who is actively

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attempting to resell the membership, according to specified conditions, may own more than one membership.

(3) Existing law requires any person who intends to offer subdivided lands for sale or lease, as specified, to file with the Department of Real Estate an application for a public report consisting of, among other things, a notice of intention, as specified. Existing law provides that the notice of intention is not applicable to the purchase of a mobilehome park by a nonprofit corporation, under specified circumstances, including the requirement that a permit to issue securities is obtained from the Department of Corporations, as specified.

This bill would change all references to "tenants" of mobilehome parks to "homeowners," and would define that term for purposes of these provisions. The bill would offer alternative requirements for the exemption from filing a notice of intention, in the case of a nonissuer transaction, pursuant to specified provisions of law, and would provide that a permit to issue securities is not required under certain of these conditions.

This bill would provide that, notwithstanding any other provision of law, the subdivider of a mobilehome park that is proposed to be converted to resident ownership shall make a written disclosure, as specified, to homeowners and residents of the park, with regard to the tentative price of the subdivided interest proposed to be sold or leased. The bill would provide that the written disclosure shall not be construed to authorize the subdivider to engage in specified prohibited activities, with regard to subdividing the park into ownership interests, prior to the issuance of a public report.

The people of the State of California do enact as follows:

SECTION 1. Section 11010.8 of the Business and Professions Code is amended to read:

11010.8. (a) The requirement that a notice of intention be filed pursuant to Section 11010 is not applicable to the purchase of a mobilehome park by a nonprofit corporation if all of the following occur:

(1) A majority of the shareholders or members of the nonprofit corporation constitute a majority of the homeowners of the mobilehome park, and a majority of the members of the board of directors of the nonprofit corporation are homeowners of the mobilehome park.

(2) All members of the corporation are residents of the mobilehome park. Members of the nonprofit corporation may enter into leases with the corporation that are greater than five years in length. "Homeowners" or "residents" of the mobilehome park shall include a bona fide secured party who has, pursuant to a security interest in a membership, taken title to the membership by means

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of foreclosure, repossession, or voluntary repossession, and who is actively attempting to resell the membership to a prospective resident or homeowner of the mobilehome park, in accordance with subdivision (f) of Section 7312 of the Corporations Code.

(3) A permit to issue securities under Section 25113 of the Corporations Code is obtained from the Department of Corporations. In the case of a nonissuer transaction (as defined by Section 25011 of the Corporations Code) involving the offer to resell or the resale of memberships by a bona fide secured party as described in paragraph (2) of this section, a permit is not required where the transaction is exempt from the qualification requirements of Section 25130 of the Corporations Code pursuant to subdivision (e) of Section 25104 of the Corporations Code. The exemption from qualification pursuant to subdivision (e) of Section 25104 of the Corporations Code available to a bona fide secured party does not eliminate the requirement of this section that the nonprofit corporation shall either file a notice of intention pursuant to Section 11010 or obtain a permit pursuant to Section 25113 of the Corporations Code.

(4) All funds of tenants for the purchase of the mobilehome park are deposited in escrow until the document transferring title of the mobilehome park to the nonprofit corporation is recorded. The escrow also shall include funds of homeowners that shall be available to the homeowners association nonprofit corporation for payment of any and all costs reasonably associated with the processing and conversion of the mobilehome park into condominium interests. Payment of these costs may be made from the funds deposited in escrow prior to the close of escrow upon the direction of the homeowners association nonprofit corporation.

(b) The funds described by paragraph (4) of subdivision (a), or any other funds subsequently received from tenants for purposes other than the purchase of a separate subdivided interest in any portion of the mobilehome park, are not subject to the requirements of Section 11013.1, 11013.2, or 11013.4.

SEC. 2. Section 11010.9 is added to the Business and Professions Code, to read:

11010.9. (a) Notwithstanding any other provision of law, the subdivider of a mobilehome park that is proposed to be converted to resident ownership, prior to filing a notice of intention pursuant to Section 11010, shall disclose to homeowners and residents of the park, by written notice, the tentative price of the subdivided interest proposed to be sold or leased.

(b) The disclosure notice required by subdivision (a) shall include a statement that the tentative price is not binding, could change between the time of disclosure and the time of governmental approval to commence the actual sale or lease of the subdivided interests in the park, as the result of conditions imposed by the state

or local government for approval of the park conversion, increased financing costs, or other factors and, in the absence of bad faith, shall not give rise to a claim for liability against the provider of this information.

(c) The disclosure notice required by subdivision (a) shall not be construed to authorize the subdivider of a mobilehome park that is proposed to be converted to resident ownership to offer to sell or lease, sell or lease, or accept money for the sale or lease of, subdivided interests in the park, or to engage in any other activities that are otherwise prohibited, with regard to subdividing the park into ownership interests, prior to the issuance of a public report pursuant to this chapter.

SEC. 3. Section 7312 of the Corporations Code is amended to read:

7312. No person may hold more than one membership, and no fractional memberships may be held, provided, however, that:

(a) Two or more persons may have an indivisible interest in a single membership when authorized by, and in a manner or under the circumstances prescribed by, the articles or bylaws subject to Section 7612.

(b) If the articles or bylaws provide for classes of membership and if the articles or bylaws permit a person to be a member of more than one class, a person may hold a membership in one or more classes.

(c) Any branch, division, or office of any person, which is not formed primarily to be a member, may hold a separate membership.

(d) In the case of membership in an owners association, (as defined in Section 11003.1 of the Business and Professions Code, and created in connection with any of the forms of development referred to in Section 11004.5 of the Business and Professions Code) the articles or bylaws may permit a person who owns an interest, or who has a right of exclusive occupancy, in more than one lot, parcel, area, apartment, or unit to hold a separate membership in the owners association for each lot, parcel, area, apartment, or unit.

(e) In the case of membership in a mutual water company, as defined in Section 330.24 of the Civil Code, the articles or bylaws may permit a person entitled to membership by reason of the ownership, lease, or right of occupancy of more than one lot, parcel, or other service unit to hold a separate membership in the mutual water company for each such lot, parcel, or other service unit.

(f) In the case of membership in a mobilehome park acquisition corporation, as described in Section 11010.8 of the Business and Professions Code, a bona fide secured party who has, pursuant to a security interest in a membership, taken title to the membership by way of foreclosure, repossession or voluntary repossession, and who is actively attempting to resell the membership to a prospective homeowner or resident of the mobilehome park, may own more than one membership.

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SEC. 4. Section 66427.4 of the Government Code is amended to read:

66427.4. (a) At the time of filing a tentative or parcel map for a subdivision to be created from the conversion of a mobilehome park to another use, the subdivider shall also file a report on the impact of the conversion upon the displaced residents of the mobilehome park to be converted. In determining the impact of the conversion on displaced mobilehome park residents, the report shall address the availability of adequate replacement space in mobilehome parks.

(b) 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.

(c) The legislative body, or an advisory agency which is authorized by local ordinance to approve, conditionally approve, or disapprove the map, may require the subdivider to take steps to mitigate any adverse impact of the conversion on the ability of displaced mobilehome park residents to find adequate space in a mobilehome park.

(d) This section establishes a minimum standard for local regulation of conversions of mobilehome parks into other uses and shall not prevent a local agency from enacting more stringent measures.

(e) This section shall not be applicable to a subdivision which is created from the conversion of a rental mobilehome park to resident ownership.

SEC. 5. 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) 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. 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.

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Assembly Bill No. 930

CHAPTER 1143

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

[Approved by Governor September 30, 2002. Filed with Secretary of State September 30, 2002.]

LEGISLATIVE COUNSEL'S DIGEST

AB 930, Keeley. Mobilehome parks: conversion to resident ownership.

Existing law requires a subdivider, 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, to avoid the economic displacement of nonpurchasing residents by limiting the amount of rent increases, as specified. The subdivider is required to offer each existing tenant the option to purchase his or her condominium unit and is subject to a hearing on the matter, the scope of which is limited to the issue of compliance with these provisions.

This bill would require the subdivider to obtain a survey of support of residents of the mobilehome park for the proposed conversion pursuant to a written ballot, to be conducted as specified, with results to be submitted to the local agency upon filing of the tentative or parcel map, and considered as part of the hearing.

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 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.

SEC. 2. 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 Palm Springs, Ltd. 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 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.

SEC. 3. The changes in law enacted by this act shall not apply to any application for parcel map approval for conversion of a rental mobilehome park to resident ownership approved by the local agency under Section 66427.5 of the Government Code prior to January 1, 2003.

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EXHIBIT E

SENATE RULES COMMITTEE Office of Senate Floor Analyses 1020 N Street, Suite 524 (916) 445-6614 Fax: (916) 327-4478	AB 930
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THIRD READING

Bill No: AB 930
Author: Keeley (D)
Amended: 8/26/02 in Senate
Vote: 21

SEN. HOUSING & COMM. DEV. COMMITTEE : 4-2, 8/5/02
AYES: Dunn, Alarcon, Escutia, Romero
NOES: Monteith, Ackerman

ASSEMBLY FLOOR : Not relevant

SUBJECT : Mobilehome parks: conversion to resident
ownership

SOURCE : Author

DIGEST : This bill clarifies how the rent is governed as
it relates to the formula in current law for mitigating
displacement of non-purchasing residents when a mobilehome
converts to resident ownership.

Senate Floor Amendments of 8/26/02 ensure that a park
owner's proposal to covert a mobilehome park to resident
ownership under the Map Act is a bona fide resident
conversion by requiring a ballot survey of resident
support.

ANALYSIS : In California, more than 650,000 people live
in approximately 5,000 mobilehome parks. Mobilehome
residents normally own their homes, but rent the space on
which their homes are installed from the park. Many

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mobilehome owners are long-time park residents. Even when resold, their homes are normally sold in place in the park.

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In the 1980's, as an alternative to problems of increasing park rents and the closure or conversion of some mobilehome parks to other uses, the concept of resident ownership, where residents purchase a park for sale and convert it to a mobilehome subdivision, cooperative or condominium, gained in popularity. The Legislature enacted a number of bills to promote resident ownership, such as freezing the assessed value of a park for property tax purposes when it is sold to the residents, implementing a limited state loan (MPROP) program for lower income homeowners buying their park, and creating special Subdivision Map Act provisions for resident owned park (ROP) conversions.

Prior to 1996, before individual lots in a park could be sold as a subdivision or condominium, the Subdivision Map Act required a subdivision map to be filed and approved by the local jurisdiction, which could impose its own conditions on the map to mitigate economic displacement of non-purchasing residents. Park conversion consultants claimed that by imposing "unreasonable" conditions on the subdivision map, some local governments were actually hampering ROP conversions by making it more expensive for the residents to buy and operate the park. As such, in 1995, the Legislature established a state standard for mitigation of the economic displacement of non-purchasing residents of an ROP conversion by using a formula found in yet another Map Act section previously applicable only to resident conversions using MPROP loan funds (SB 310 - Craven, 1995). The Craven bill provided that upon a conversion residents must be offered the option to buy their lots or continue to rent and detailed a formula for mitigating displacement of non-purchasing residents. For those who were not low-income, the rent could be raised to market levels, in accordance with an appraisal performed with nationally recognized standards, in equal annual increases over four years. For low-income residents, the rent could only be increased in accord with the Consumer Price Index. The scope of a local hearing on granting the map was limited to the issue of compliance with these provisions.

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In 1993, the owner of the El Dorado Mobile Country Club, a 377-space mobilehome park in Palm Springs, filed a tentative subdivision map as a first step in converting the park to resident ownership by existing residents or other persons. The city planning commission approved the application subject to a number of conditions, but the city council, concerned about allegations the conversion was a "sham" later added three additional conditions. One of the

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conditions marked the effective map date, as the date escrow would close on 120 lots in the park, that is, the date the park would cease to be subject to the city's mobilehome rent control ordinance. After that date, the formula for mitigating economic displacement under the Craven bill would instead be applicable. The park owner filed a writ of mandamus in superior court to compel approval of the subdivision map without the three conditions, claiming the effective date of conversion was when one lot was sold, and the city council did not have the power to impose more stringent requirements. The lower court denied the park owner's petition but earlier this year the 4th District Court of Appeal reversed (*El Dorado Palm Springs, Ltd., v. City of Palm Springs*). The appellate court ruled that the city was limited to the scope of assuring there was compliance with requirements of Section 65827.4 and opined that the question of whether there should be more protections in the statute to prevent "sham" resident conversions is a legislative, not legal, issue.

This bill adds a provision to the Subdivision Map Act section related to mitigating economic displacement of non-purchasing residents upon the conversion of a mobilehome park to resident ownership.

This bill provides that the subdivider shall conduct a ballot survey or support of the residents of the park, in accordance to an agreement between the subdivider and resident homeowners association, and submit the survey results with the proposed tentative parcel map to the local agency to be considered as part of the subdivision map hearing process.

This bill adds legislative intent language concerning the need for resident support to assure that the conversion of

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mobilehome parks to resident ownership pursuant to the Subdivision Map Act are bona fide.

This bill also provides that the bill will not apply to any application for a parcel map approval for conversion of a park to resident ownership approved by a local agency prior to January 1, 2003.

Comments

Purpose . Proponents claim that, under the *Eldorado* case, the Subdivision Map Act has been turned on its head to allow developers to convert a park to resident ownership simply to get around local rent control or other local displacement protections, not to sell the lots to residents. This bill picks up on the court's admonition

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that the issue is a legislative matter.

Limited Effect . Conversion of a mobilehome park to resident ownership is a complicated process, sometimes taking a year or years to complete. There are a variety of different types of conversions. To speed up the conversion process, some parks are converted to non-profit stock cooperatives to avoid the necessity of dealing with Subdivision Map Act requirements, as well as the lengthy approval by the State Department of Real Estate under the Subdivided Lands Act. Other parks have been purchased by city housing authorities or non-profit agencies, which later may initiate the subdivision process to convert to resident ownership. This bill will affect only those parks subject to the Subdivision Map Act that are being converted to a resident-owned park subdivision or condominium.

FISCAL EFFECT : Appropriation: No Fiscal Com.: No
Local: No

SUPPORT : (Verified 8/12/02)

Golden State Manufactured Home Owners League
California Mobilehome Resource & Action Association
California Rural Legal Assistance Foundation
City of Capitola
Western Center on Law & Poverty
League of California Cities

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Congress of California Seniors
California State Association of Counties
Community Action Board of Santa Cruz County
Law Offices of William J. Constantine
Palm Springs View Estates Homeowners Association
Palo Mobile Estates Home Owners Association
Pacific Skies Homeowners Association
De Anza Santa Cruz Homeowners Association
Indian Springs Mobilehome Owners Association
El Dorado Homeowners Corporation
Cabrillo Homeowners Association
Yacht Harbor Manor Homeowners Association
Portola Heights Homeowners Association
Castle Mobile Estates Homeowners Association
The Honorable Janet Beautz, Santa Cruz County Supervisor
Central Coast Center for Independent Living
Blue Pacific Mobile Home Owners Association
Numerous individuals

OPPOSITION : (Verified 8/27/02)

Greg Smith, San Diego County Assessor/Clerk/Recorder
Western Manufactured Housing Communities Association
O'Melveny & Myers LLP

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The Stirnkorb Company, Inc.
Law Offices of Gilchrist & Rutter
Michael Shore, Residents Owned & Run
Cindy Gross, Meadows Homeowners Association
Russ Kohl, Rancho Carlsbad Owners Association
The Loftin Firm
The Gibbs La firm
Cedarhill Estates Homeowner Association
Property Management Consultants, Inc.
Site Designs Associates
Top O'Topanga Community Association
The Associates Group for Affordable Housing
Castle/Breckenridge Management
Pecan Community Association
California Underwriting Counsel

NC:cm 8/28/02 Senate Floor Analyses

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SUPPORT/OPPOSITION: SEE ABOVE

**** END ****

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2009-10-18

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CONCURRENCE IN SENATE AMENDMENTS
AB 930 (Keeley)
As Amended August 26, 2002
Majority vote

ASSEMBLY:	(May 29,	SENATE:	21-11	(August 30,
	2001)			2002)
(vote not relevant)				

Original Committee Reference: H. & C. D.

SUMMARY : Requires that a proposal to subdivide a mobilehome park into resident ownership include survey results of the residents indicating their support for the conversion.

The Senate amendments delete the Assembly version of this bill, and instead:

- 1) Require a subdivider of a mobilehome park to conduct a survey of the park residents in cooperation with the resident homeowner's association.
- 2) Require that the survey be conducted in the form of a written ballot so that each occupied mobilehome space shall have one vote.
- 3) Require that the results of the survey be filed with the appropriate local agency upon the filing of the tentative or parcel map.
- 4) Provide that the results of the survey shall be subject to a hearing of the legislative body or local agency considering the request to approve the subdivision map.

EXISTING LAW :

- 1) Requires a subdivider of a mobilehome park applying for conversion into resident ownership to submit a tentative or parcel map to the local agency for review and approval.
- 2) Prohibits a subdivider from displacing lower income residents that cannot purchase an interest in the subdivision and prohibits the increase of rents except by an amount equal to

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the Consumer Price Index.

- 3) Provides that for non lower income households the subdivider may increase the rent to market levels.
- 4) Establishes the Mobilehome Park Purchase Fund for the purpose of making loans to resident organizations for the purpose of converting parks into resident ownership.
- 5) Provides that loans may be made to convert parks where at least 30% of the spaces are for low-income residents.

AS PASSED BY THE ASSEMBLY this bill removed home price limits for rehabilitation projects funded by CalHome.

FISCAL EFFECT : None

COMMENTS:

Background:

- 1) Prior to 1996, local jurisdictions were permitted to impose their own conditions for protecting existing residents on a proposed subdivision of a mobilehome park into resident ownership. However, some argued that conditions were sometimes imposed that prevented the conversion of a park into resident ownership. SB 310 (Craven), Chapter 25, Statutes of 1995, amends the Subdivision Map Act ensuring that residents of mobilehome parks were given the opportunity to purchase an interest but also not displaced if they could not afford to purchase a space in the park. Those residents that could not purchase a space, were allowed to remain as renters and a formula was established for how their rents would be calculated. That formula provides that residents that are not low income, may have their rents raised to market levels over a four year period. Those that are low income may only have their rents increased by an amount equal to the Consumer Price Index.

In 1993, the owner of the El Dorado Mobile Country Club, a 377-space mobilehome park in Palm Springs, filed a tentative subdivision map as a first step in converting the park to resident ownership by existing residents or other persons. The city planning commission approved the application subject to a number of conditions, but the city council, concerned

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about allegations the conversion was a "sham" later added three additional conditions. One of the conditions marked the effective map date, as the date escrow would close on 120 lots in the park, that is, the date the park would cease to be subject to the city's mobilehome rent control ordinance. After that date, the formula for mitigating economic displacement under the Craven bill would instead be

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applicable. The park owner filed a writ of mandamus in superior court to compel approval of the subdivision map without the three conditions, claiming the effective date of conversion was when one lot was sold, and the city council did not have the power to impose more stringent requirements. The lower court denied the park owner's petition but earlier this year the 4th District Court of Appeal reversed (El Dorado Palm Springs, Ltd., v. City of Palm Springs). The appellate court ruled that the city was limited to the scope of assuring there was compliance with requirements of Section 66427.5 and opined that the question of whether there should be more protections in the statute to prevent "sham" resident conversions is a legislative, not legal, issue.

2) Purpose for the bill: In 1996, the Second Appellate District Court heard Donohue v. Paula West Mobile Home Park regarding a proposed mobilehome park conversion that failed due to a lack of financing available to the residents. In that park, the owner sought to increase rents, after the passage of a local rent control ordinance, by arguing that Section 66427.5 overrode the local initiative and instead the rent formula provided in that statute applied, allowing the owner to increase rents on non low income residents to market level. However, the court ruled that Section 66427.5 did not apply because no single unit was ever sold. Therefore the conversion never occurred and the statute did not apply.

In El Dorado v. Palm Springs, the issue before the court was whether the conditions imposed by the city exceeded the authority provided under Section 66427.5. Considering Palm Springs' concern that a conversion could be used to circumvent local rent control the court in El Dorado stated, "We are equally concerned about the use of the section [66247.5] to avoid local rent control," but "the City lacks authority to investigate or impose additional conditions to prevent sham or fraudulent transactions." The court went on to rule that 66427.5 takes effect as soon as one unit is sold and supercedes a local rent control ordinance.

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As a result of these two court rulings, the proponents of this bill are seeking to address what they feel could potentially become a way for park owners to get around local rent control ordinances. As evidence of these concerns, the supporters have submitted a newsletter from a law firm that encourages park owners seeking an "exit strategy" from mobilehome park ownership to consider selling their park on a space by space basis through conversion to resident ownership. The newsletter continues that, "This decision offers mobilehome park owners a new and more viable option to escape the draconian revenue limits imposed by rent control."

3) How conversions work: A mobilehome park conversion can occur

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through various means, typically initiated by park residents either through formation or affiliation with a non-profit entity. The non-profit entity will secure the financing to purchase the park from the park owner and proceed to sell individual lots to residents as they in turn secure the necessary financing to purchase a lot. As individuals purchase a lot the non-profit reduces the debt it has incurred. In addition, the non-profit continues to collect rent from other residents until they can purchase their interest or for as long as they choose to remain in the park. The purpose of Section 66427.5 is to protect these non-purchasing residents but still ensure that resident conversions can secure the necessary financing.

The non-profit will inevitably pay an amount for the park that requires an increase in the current rents. The benefit to the residents for the increased rents though is that they will have the opportunity to purchase their space and have a voice in the entity that manages the park. In addition, the increase on rent for non-low income households is phased in over a four year period.

4) Resident conversion or sham ? This bill seeks to ensure that the conversion is not a sham conversion by requiring a vote of the residents to be submitted to the local agency. Essentially, the bill is addressing a statement by the court in El Dorado that, "the courts will not apply section 66427.5 to sham or failed transactions, or to avoid a local rent control ordinance." Making this determination would not be easy for a local agency that did not proactively seek to inquire with the residents on their position.

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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. It is foreseeable that the results of this survey could be used to argue to a court that the conversion is a sham and that the rent formulas in Section 66427.5 should not be applied.

The fact that a majority of the residents do not support the conversion is not however an appropriate means for determining the legitimacy of a conversion. The law is not intended to allow park residents to block a request to subdivide. Instead, the law is intended to provide some measure of fiscal protection to nonpurchasing residents.

* Analysis prepared by: Jay Barkman / H. & C. D. / (916)
319-2085 FN: 0007807

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**BUSINESS, TRANSPORTATION
AND HOUSING AGENCY**

**ENROLLED BILL
REPORT**

CONFIDENTIAL-Government Code §6254(l)

Department: Housing and Community Development	Bill Number/Author: AB 930/Keeley	Version: August 26, 2002
Sponsor: <input type="checkbox"/> Admin Sponsored Proposal No.	Related Bills None.	Chaptering Order (if known) <input type="checkbox"/> Attachment
Subject: Mobilehome Parks: Conversion to Resident Ownership		

SUMMARY

This bill would (1) require that the subdivider, in addition to current requirements, obtain a survey from the mobilehome park residents demonstrating their support of a conversion of the park to resident ownership, and submit the survey to the local agency when the tentative or parcel map is filed; and (2) state legislative intent to assure that mobilehome park conversions to resident ownership are supported by residents.

PURPOSE OF THE BILL

This bill is designed to assure that mobilehome parks being converted to resident ownership are bona fide resident conversions.

RECOMMENDATION AND SUPPORTING ARGUMENTS: SIGN.

The Department of Housing and Community Development (Department) recommends that the Governor **SIGN** this bill.

By requiring the subdivider of a mobilehome park to survey the park residents and assess their genuine interest in a conversion to resident ownership, this bill may prevent park owner-driven conversions from occurring.

Departments That May Be Affected None.	
<input type="checkbox"/> New / Increased Fee	<input type="checkbox"/> Governor's Appointment <input type="checkbox"/> Legislative Appointment <input type="checkbox"/> State Mandate <input type="checkbox"/> Urgency Clause
Dept/Board Position <input checked="" type="checkbox"/> Sign <input type="checkbox"/> Veto <input type="checkbox"/> Defer to:	Agency Secretary Position <input checked="" type="checkbox"/> Sign <input type="checkbox"/> Veto <input type="checkbox"/> Defer to:
Director/Chair <i>[Signature]</i>	Agency Secretary <i>[Signature]</i>
Date 9/19/02	Date

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EXHIBIT

EXHIBIT

ENROLLED BILL MEMORANDUM TO GOVERNOR

BILL NO: AB 930 AUTHOR: Keeley DATE: 9/23/02 DATE DUE: 9/30/02
SENATE: 21-11 ASSEMBLY: 70-1 CONCURRENCE: 50-27
REVIEWED BY: RECOMMENDATION: Sign ☐ Veto ☐

SUMMARY: This bill requires that the subdivided, in addition to current requirements, obtain a survey from the mobile home park residents demonstrating their support of a conversion of the park to resident ownership, and submit the survey to the local agency when the tentative or parcel map is filed; and (2) state legislative intent to assure that mobile home park conversions to resident ownership are supported by residents.

SPONSOR: Author

SUPPORT: Business, Transportation and Housing Agency
Housing and Community Development Department
Golden State Manufactured-Home Owners League
California State Association of Counties
League of California Cities
Congress of California Seniors
City of Morgan Hill
California Mobile Home Resource and Action Association

OPPOSITION: Western Manufactured Housing communities Association
California Mobile Home Parkowners Association
The Loftin Firm

FISCAL IMPACT: No fiscal impact.

ARGUMENTS IN SUPPORT: Providing that the results of a residential survey be submitted when a subdivision map is filed will allow local governments to take a proactive role in protecting or ensuring the maintenance of affordable housing in their communities. Providing local governments the ability to do more to assure the legitimacy of park conversions would provide an additional layer of protection for residents at the local level during the subdivision approval process. With the possibility of localities using this device to filter out untenable park owner subdivisions, pressure to use the departments MPROP funds to bail out an unsuccessful private park conversion will be reduced, allowing MPROP to subsidize conversions that are more cost-beneficial to the residents.

ARGUMENTS IN OPPOSITION: This bill leaves room for multiple interpretations such as what constitutes resident support. The requirement that the results of a resident survey be submitted when a subdivision map is filed does not directly respond to the concerns of the author that a resident conversion represents a possible sham to avoid rent control and does not directly address the court's comment that the Legislature has not provided local governments the authority to prevent fraudulent park conversion transactions. Park owner opponents maintain that this bill would unjustifiably restrict the owner's property rights.

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Many communities have enacted local rent control ordinances that apply to mobilehome parks. Generally, those rent control ordinances do not apply when the park residents own the mobilehome park. A recent industry newsletter article suggested that a conversion of a park to resident ownership might be in the interest of some park owners. Fearing that park owners would pursue park conversions that are not actually supported by the park residents, and in the process eliminate any rent controls that might otherwise have applied, this bill was introduced. In essence, the bill requires those subdividing a mobilehome park to survey the park residents to demonstrate the residents' support of the park conversion.

The bill, however, does not clearly establish how the survey is to be conducted or what evidences resident support. For example, if only 40% of the park residents respond to the survey, and only 51% of them support the park conversion, has resident support been demonstrated? In addition, a recent California appellate court decision included a comment that localities do not have the specific authority to preclude what may be sham resident conversions. Since this bill requires the survey results to be submitted to the locality issuing the tentative or parcel map that permits the actual conversion, many argue that the locality would have new authority to evaluate resident support.

Some resident groups oppose the bill, however, on the grounds that the bill will allow localities to intervene in the subdivision process in a manner that could delay or add considerable expense to the conversion. Overall, the Department believes that conversions to resident ownership would benefit from local governments, which understand local land use development issues, being authorized to do more to assure the conversions are really resident supported.

ANALYSIS

Existing law requires that the subdivision of a mobilehome park to resident ownership be accompanied by measures that avoid the economic displacement of all nonpurchasing residents, including providing for compliance with requirements that rents for nonpurchasing tenants not be increased to market levels more quickly or, for lower-income tenants only, in greater amount, than prescribed. The locality is specifically limited in its review under the Subdivision Map Act to listed provisions in the statute.

This bill would give local agencies the authority also to consider the result of a (nonbinding) resident vote on a proposed subdivision and conversion of a mobilehome park to resident ownership in connection with the approval of a tentative or parcel map for the park.

Advocates for the bill point out that this bill would help close a loophole that permits a park owner-driven conversion to resident ownership even where the conversion is not favored by, nor is in the interests of the park residents.

LEGISLATIVE HISTORY

SB 310 (Craven), Ch. 256/1995, among other related things, required a subdivider to avoid the economic displacement of all nonpurchasing residents in a park conversion in a specified manner and provided that the scope of the hearing for a locality to conditionally approve or disapprove the subdivision map be limited to the issue of compliance with the economic displacement requirements set out in the law.

SB 2240/Seymour (Ch. 1692/1984) established the Mobilehome Park Purchase Fund and permitted HCD to make low-interest loans for the purpose of reducing the monthly housing costs for low-income residents to an affordable level when a mobilehome park converts to resident ownership.

PROGRAM BACKGROUND

In June, the California Supreme Court declined to hear an appeal from the decision of the appellate court in El Dorado Palm Springs, LTD, v City of Palm Springs (96 C.A. 4th 1153), which concerned the ability of localities to economically protect any park residents, especially lower-income residents, who decide against becoming a resident-owner when a park converts to resident ownership. The case also concerned the ability and timing of a resident-owned park [even a park with only 1 resident-owned space] to avoid any otherwise applicable local rent control.

Beginning in the 1980s, there was growing interest among mobilehome owners, who rented mobilehome park spaces, in buying the parks when available for sale. Financial pressures caused by increases in the cost of living and rising costs of rented mobilehome spaces and related services motivated many residents to jointly purchase and convert their park to resident ownership and/or management. Park closures and impending evictions were also strong motivating factors that sparked residents' interest in conversion.

The premise for a strategy of resident ownership was that, as owners, park residents could more easily control their housing conditions. Also, resident ownership would insulate park residents from possible exploitation in the mobilehome space rental market, which often permits the mobilehome park owner to raise rents with little threat of park vacancies. In a resident-owned park, any potential park profits could be applied to park upkeep or to offset rent increases.

Resident advocacy groups believe that the Legislature's intent in passing park conversion laws was to provide security and to preserve affordable housing costs for the residents and not to provide a way for park owners to circumvent local rent control and increase the market value of the park.

Some resident organizations have converted their parks entirely through personal and private financing. Other resident organizations have needed to combine these sources with supplemental financing, such as public subsidies for low-income housing from local redevelopment housing funds, mortgage revenue bonds, community

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development block grants, and the Mobilehome Park Resident Ownership Program (MPROP) administered by the Department, to maintain affordability for existing, low-income park residents.

Between 1984 when the Mobilehome Park Purchase Fund was established, and 2000, the Fund had lent \$28.5 million in 51 park conversions to resident ownership.

OTHER STATES' INFORMATION

Unknown.

FISCAL IMPACT

This bill would have no impact on this Department.

ECONOMIC IMPACT

To the extent that local governments could recognize a potentially fraudulent conversion from a resident survey submitted by a developer seeking approval of a park subdivision, and would disapprove the subdivision, park residents financially unable to buy in or to afford rising rents would continue to be economically protected by local rent controls.

This Department became aware of some privately-financed park conversions that had not been structured to be financially viable when the homeowners eventually applied to MPROP as a last resort to avoid losing their investment. Allowing localities to have an opportunity to judge the strength of resident support could provide a sunshine control to help mitigate against over optimistic projections.

LEGAL IMPACT

Unknown.

APPOINTMENTS

None.

SUPPORT/OPPOSITION

Support: Golden State Manufactured-Home Owners League, California Mobilehome Resource and Action Association, California Rural Legal Assistance Foundation, Gray Panthers, Congress of California Seniors, Western Center on Law and Poverty, League of California Cities, California State Association of Counties, Counties of Santa Cruz and Yuba, 3 cities. 11 park homeowner associations, Central Coast Center for Independent Living, Community Action Board of Santa Cruz County, Inc., Law Offices of William Constantine [Note: counsel represented an interested party in opposition to the park owner/developer in the El Dorado Palm Springs, LTD, v City of Palm Springs litigation].

Opposition: Western Manufactured Housing Communities Association, California Mobilehome Parkowners Alliance, The Lofitin Firm (a consultant in the park conversion business), 2 park management consultants, 5 park homeowner associations, San Diego County Assessor, a title officer with conversion experience, a lender with conversion finance expertise, O'Melveny & Myers, LLP [Note: counsel with O'Melveny & Meyers represented the park owner/developer, in the El Dorado Palm Springs, LTD, v City of Palm Springs litigation].

ARGUMENTS

Pro:

- Providing that the results of a resident survey be submitted when a subdivision map is filed will allow local governments to take a proactive role in protecting or ensuring the maintenance of affordable housing in their communities.
- Providing local governments the ability to do more to assure the legitimacy of park conversions would provide an additional layer of protection for residents at the local level during the subdivision approval process.
- With the possibility of localities using this device to filter out untenable park owner subdivisions, pressure to use the Department's MPROP funds to bail out an unsuccessful private park conversion will be reduced, allowing MPROP to subsidize conversions that are more cost-beneficial to the residents.

Con:

- The bill leaves room for multiple interpretations such as what constitutes resident support.
- The requirement that the results of a resident survey be submitted when a subdivision map is filed does not directly respond to the concerns of the author that a resident conversion represents a possible sham to avoid rent control and does not directly address the Court's comment that the Legislature has not provided local governments the authority to prevent fraudulent park conversion transactions.
- Park owner opponents maintain that the bill would unjustifiably restrict the owner's property rights.

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VOTES

Assembly Floor			Concurrent	Senate Floor			Concurrent
DATE	AYE	NO	August 30, 2002	DATE	AYE	NO	
Not applicable			Passed 50 / 27	August 30, 2002	21	11	

All the "No" votes were cast by Republicans who were persuaded by the lobbying efforts of the park industry and park conversion consultants.

LEGISLATIVE STAFF CONTACT

Contact	Work	Home	Cell Phone	Pager
Maria Contreras-Sweet	323-5401	(626) 581-8156	832-7501	594-2698
Karen Greene Ross	323-5416	444-1419	541-5251	712-4366
Julie Bornstein	445-4775	442-5356 & (760) 568-6708		282-4491
Renée Franken	323-0169	486-2667	798-6209	537-3181

Angela Dysle
4300 Soquel Drive #212
Soquel, Ca. 95073
831-479-9935

4/6/2009

Application# 07-0310

Dear Board of Supervisors,


I am writing to you regarding the proposed application for Conversion at 4300 Soquel Drive, Soquel, CA 95073.

I live at Alimur M.H. Park. I have lived here for eight years. My belief is that if the Conversion is approved, I will be financially and economically displaced and forced out of the very home that I have loved for the last eight years.

The residents of Alimur M.H. Park are not just "renters." We have invested thousands of dollars to own our homes. We are not "vacation renters" and these are our primary residences.

We are all very well informed about what we think will happen if the Conversion is approved. We are afraid of becoming like El Dorado in San Diego, CA.

Please do NOT approve the Application for Conversion as this is not a resident supported conversion.

I have enclosed  Petition Opposing Conversion that we signed. This and our Resident Survey will show we really feel.

Thank you for your time.

Angela Dysle

EXHIBIT E

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PETITION OPPOSING CONVERSION & ENDORSEMENT OF REPRESENTATION

I am a homeowner and resident of Alimur Mobilehome Park (Park). I oppose the Park owner's plans to convert the Park to a resident-owned condominium project. I authorize the efforts of the residents' independent association, the Alimur Park Homeowners Association (Association), to represent my interests on this issue including entering into the agreement with the Park owner, which is required by Government Code §66427.5, for conducting the required written ballot of resident support. The current president of the Association is Mr. Clay Butler, Space #66.

LA PETICIÓN LA CONVERSIÓN CONTRARIA & EL ENDOSO DE REPRESENTACIÓN

Yo soy un propietario y residente de Alimur Mobilehome Parque (Parque). Yo opongo los planes del dueño del Parque para convertir el Parque a un proyecto de condominios poscído por los residentes. Yo autorizo los esfuerzos de la asociación independientes de los residentes, el Alimur Park Homeowners Association (Asociación), para representar mis intereses en este problema esto incluye entrar en un acuerdo con el dueño del Parque, que se requiere por el Código Governmental §66427.5, para conducir la voleta por escrita que se requiere para casenar el apoyo de los residentes. El presidente actual de la Asociación es Sr. Clay Butler, el Espacio #66.

NO.	PRINTED NAME NOMBRE IMPRIMIDO	SIGNATURE FIRMA	PHONE # EL TELÉFONO	SPACE NO. EL ESPACIO NO.
1.	JIM NORTON	Jim Norton		21
2.	Esther Edgar	Esther Edgar		45
3.	Barbara Quinn	Barbara Quinn		92
4.	Nita Lemondolo	Nita Lemondolo		# 100
5.	Judy Houston	Judy Houston		# 98
6.	Emy Lamm	Emy Lamm		# 803
7.	EMY LAMM			
8.	SARA FINNEGAN	Sara Finnegan		# 84
9.	DAVID DARGINO	David Dargino		# 224
10.	Claire Chapelle	Claire Chapelle		23A
11.	Pat Martin	Pat Martin		# 28
12.	COLLEEN O'DRISCOLL	Colleen O'Driscoll		# 5
13.	K Chapman	Karen Chapman		3 64
14.	Donna Stokes	Donna Stokes		33
15.	Robin Evenden	Robin Evenden		43
16.	FRANK FORTINA	Frank Fortina		82
17.	ANDREW FLORIAN	Andrew Florian		85

PETITION OPPOSING CONVERSION & ENDORSEMENT OF REPRESENTATION

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EXHIBIT F

Opposition to Park Owners
Proposal to Convert Park to residential
condominium project

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NO.	PRINTED NAME NOMBRE IMPRIMIDO	SIGNATURE FIRMA	PHONE RI. TELÉFONO	SPACE NO. EL ESPACIO NO.
18.	Nora Lee Doran	<i>Nora Lee Doran</i>		#169
19.	Teremy Bruce	<i>Teremy Bruce</i>		#229
20.	Rachel Nilsson	<i>Rachel Nilsson</i>		#234
21.	Cordyn Henning	<i>Cordyn Henning</i>		#18
22.	Lisa Kay Beck	<i>Lisa Kay Beck</i>		#201
23.	Bonnie [unclear]	<i>Bonnie [unclear]</i>		#88
24.	Janele Camille Grawley	<i>Janele Camille Grawley</i>		#235
25.	Jane [unclear]	<i>Jane [unclear]</i>		#52
26.	Beverly A. [unclear]	<i>Beverly A. [unclear]</i>		#226
27.	John Bonnell	<i>John Bonnell</i>		#57
28.	Heather [unclear]	<i>Heather [unclear]</i>		#68-B
29.	Row Finnesen	<i>Row Finnesen</i>		#84
30.	MARGARET CRANE	<i>Margaret Crane</i>		101A
31.	Ben Aronowitz	<i>Ben Aronowitz</i>		56
32.	William D. [unclear]	<i>William D. [unclear]</i>		212
33.	Debra Monard	<i>Debra Monard</i>		#78
34.	Melissa Hardy	<i>Melissa Hardy</i>		#10
35.	Jeresa Edwards	<i>Jeresa Edwards</i>		#237
36.	Robert Kutsch	<i>Robert Kutsch</i>		#218
37.	Roger Willenby	<i>Roger Willenby</i>		204
38.	Laura Brinson	<i>Laura Brinson</i>		#86
39.	Michelle [unclear]	<i>Michelle [unclear]</i>		#32
40.	Mary A. Eggulden	<i>Mary A. Eggulden</i>		#76
41.	MARY O'NEILL	<i>Mary O'Neill</i>		#55
42.	MALINDA LOVE	<i>Malinda Love</i>		#63
43.	Ka			
44.	BRENDA KUTSCH	<i>Brenda Kutsch</i>		#218
45.	PATRICIA A. MYATT	<i>Patricia A. Myatt</i>		#220

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EXHIBIT E

NO.	PRINTED NAME NOMBRE IMPRIMIDO	SIGNATURE FIRMA	PHONE EL TELÉFONO	SPACE NO. EL ESPACIO NO.
46.	Bernice Cohn	Bernice Cohn		219
47.	ANNA M. HADEN	A. M. Haden		44
48.	VICTOR J. HEN	V. J. Hen		36
49.	Tina Jett	Tina Jett		208
50.	Shelley P. Galt	Shelley P. Galt		88
51.	Rose Teixeira	ROSE TEIXEIRA		209
52.	BARBARA GABRIEL LITON	Barbara Gabriel Liton		72
53.	JUNE PARKER	June Parker		4
54.	Cathy Barthel	Cathy Barthel		50
55.	Severiano Lari	SEVERIANO LARI		H 73
56.	FRANCISCO POYER	Francisco Poyer		68-A
57.	SYLVIA RHODES	Sylvia Rhodes		67B
58.	ANN GULLIGAN	Ann Gulligan		210
59.	Ruth Buckel	Ruth Buckel		15
60.	JAN ELLIEN JORGENSEN	Jan Ellen Jorgensen		#20✓
61.	COLIS FREEMAN	Colis Freeman		31
62.	Jack Trotter	Jack Trotter		41
63.	Jack Trotter	Jack Trotter		
64.	Dana St. Pierre	Dana St. Pierre		214
65.	Concieve Worrell	Concieve Worrell		95
66.	LAURA RODRIGUEZ	Laura Rodriguez		#1
67.	Brita Zetterberg	BRITA ZETTERBERG		3275 #91
68.	Margo Mac Kinno	Margo Mac Kinno		#53
69.	PAUL DIMEO	Paul Dimeo		#80
70.	David Regan	David Regan		#221
71.	Teresa A. Browok	Teresa A. Browok		#217
72.	D. H. FELES	D. H. Feles		#218
73.	Sally Nagura	Sally Nagura		#211

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PAGE 3

NO.	PRINTED NAME NOMBRE IMPRIMIDO	SIGNATURE FIRMA	PHONE # EL TEL. FON.	SPACE NO. EL ESPACIO NO.
74.		<i>Bernadean Kelly</i>		#225
75.	Bernadean Kelly			
76.	Lola L. Rogers	<i>Lola L. Rogers</i>		#22
77.	Natalie Davis	<i>Natalie Davis</i>		#37
78.	ELISE T SMITH	<i>Elise T. Smith</i>		38
79.	Michael Collet	<i>Michael Collet</i>		#94
80.	TIM PETERSON	<i>Tim Peterson</i>		#103
81.	ROBERT GOLDSTEIN	<i>Robert Goldstein</i>		85
82.	BARBARA JETTER	<i>Barbara Jetter</i>		#17
83.	BETTY F. BLAKE	<i>Betty F. Blake</i>		#47
84.	Cherie Lovett	<i>Cherie Lovett</i>		213
85.	JOSE A. REYES	<i>Jose A. Reyes</i>		#14
86.	William Starks	<i>William Starks</i>		#23
87.	Dianna Brant	<i>Dianna Brant</i>		#27
88.	John N. Gruber	<i>John N. Gruber</i>		#25
89.	Michele Green	<i>Michele Green</i>		#8
90.	Jack Ryan	<i>Jack Ryan</i>		#6
91.	Linda Winston	<i>Linda Winston</i>		#13
92.	Chris Ballas	<i>Chris Ballas</i>		#2
93.	TAN McANALLY	<i>Tan McAnally</i>		#222
94.	CLAY BUTLER	<i>Clay Butler</i>		#66
95.	JANIE	<i>Janie</i>		#43
96.	Wilbur W. Hall	<i>Wilbur W. Hall</i>		#104
97.	ELISA STEWART	<i>Elisa Stewart</i>		#24
98.	JAN ELLER JORGENSEN	<i>Jan Eller Jorgensen</i>		#20
99.	Kathryn Nation	<i>Kathryn Nation</i>		#11
100.	Barbara Brundage	<i>Barbara Brundage</i>		#87
101.	unappet Redde	<i>unappet Redde</i>		TOTAL

already signed earlier.

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NO.	PRINTED NAME NOMBRE IMPRIMIDO	SIGNATURE FIRMA	PHONE # # TEL. ESPANOL	SPACE NO. EL ESPACIO NO.
102.	MARCELO BIRD	Marcelo Bird		#102
103.	Joseph Martin	Joseph Martin		#7
104.	C. P. P.	P. P. P. PASTER		#39
105.	Sally G. Cole	Sally G. Cole		#232
106.	ROSE TEIXEIRA	Rose Teixeira		#209
107.	DENISE ALDEIA WARD	Denise Aldeia Ward		#19
108.	Pei Bing Huang	Pei Bing Huang		#29
109.	BLAKE LVA	Blake Lva		#12
110.	Donald Atwell	Donald Atwell		#48
111.	MARIJKE EWING	Marijke Ewing		#58
112.	DOROTHY WOOLEY	Dorothy Woolley		#71
113.	Michelle Kenda	Michelle Kenda		#42
114.	Kevin Michael	Kevin Michael		#227
115.	Dan Wakefield	Dan Wakefield		#70
116.	DIANA McBRIDE	Diana McBride		#79
117.	Linda Cullen	Linda Cullen		#67
118.	Carol Melusq	Carol A. Nelson		#40
119.	John A. P.	Patricia Nelson		#25
120.	James O. Smith	James O. Smith		#26
121.	James O. Smith	James O. Smith		#81
122.	James O. Smith	James O. Smith		#83
123.	James O. Smith	James O. Smith		#89
124.	Julie Galea	Julie Galea		#96
125.	Genevieve Worrel	Genevieve Worrel		#95
126.	Michael Israel	Michael Israel		#51
127.	Denise Crichton	Denise Crichton		#54
128.	Alvin Taylor	Alvin Taylor		#61
129.	Joseph M. Collins	Joseph M. Collins		#49

Already signed

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EXHIBIT F

EXHIBIT E

NO.	PRINTED NAME NOMBRE IMPRIMIDO	SIGNATURE FIRMA	PHONE # EL TELÉFONO	SPACE NO. EL ESPACIO NO.
130.	Nanette Gaucier	Nanette Gaucier		46
131.	Diane Poon	Diane Poon		35
132.	Keri Ki	Keri Ki		34
133.	Dana Strickland	Dana Strickland		202
134.	Flaine Supron	Flaine Supron		236
135.	THOMAS MILLERS	Thomas Millers		30
136.	Patti Good	Patti Good		101
137.	Scott W. Lee	Scott W. Lee		233
138.	Thomas M. Burke	Thomas M. Burke		223
139.	Nita Avenell	Nita Avenell		93
140.	Kristine Plant	Kristine Plant		206
141.	Cynthia DePonte	Cynthia DePonte		
142.	G. Heblacker	G. Heblacker		77
143.	Elva Grauel	Elva Grauel		97
144.				
145.				
146.				
147.				
148.				
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157.				

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LAW OFFICES
GILCHRIST & RUTTER
 PROFESSIONAL CORPORATION

WILSHIRE PALISADES BUILDING
 1299 OCEAN AVENUE, SUITE 900
 SANTA MONICA, CALIFORNIA 90401-1000

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

March 5, 2009

VIA FEDEX

Tess E. Fitzgerald, Clerk of the Board
 Santa Cruz County
 701 Ocean Street, Room 500
 Santa Cruz, CA 95060

Re: Appeal From Planning Commission's Decision On February 25, 2009 To
 Recommend Denial Of Application No. 07-0310 to Convert the Existing Alimur
 Mobilehome Park From a Rental-Only Park To Resident Ownership

Dear Ms. Fitzgerald:

We represent the property owner and applicant ("Alimur") in the above-referenced application for a vesting tentative map, Application No. 07-0310 (the "Application"), to convert Alimur Mobilehome Park (the "Park") from a rental park to a resident-owned park pursuant to the Subdivision Map Act, Government Code section 66427.5 (the "Conversion").

At its hearing on February 25, 2009, the Planning Commission ("Commission") approved Staff's recommendation to recommended that the Board of Supervisors deny the Application ("Decision"). Although we have been advised by staff at the County Planning Department ("Staff") that the Board of Supervisors ("Board") will automatically set a hearing on our Application, and that no appeal is necessary, we are submitting this appeal pursuant to Section 14.01.312 of the Santa Cruz County Code in an abundance of caution.¹

The Commission's Decision was wholly unsupported by the law, the facts and/or any evidence in the record. Furthermore, the Decision was in error and was an abuse of discretion. An additional hearing on the Application must be held before the Board of Supervisors.

As discussed in more detail below, the Commission's Decision to approve the recommendation contained in the Staff Report concerning the Application ("Staff Report") was improper and illegal. The Staff Report alleged that the Conversion should be denied because it was not compliant with certain local regulations, permitting requirements, and the Santa Cruz County's general plan ("General Plan"). Specifically, the Staff Report claimed that the Conversion (i) was not a "bona fide resident conversion" as Alimur had not "evidenced that...the required 50% of residents voted in favor of conversion" as required under the County Code (Staff Report at p. 3), (ii) was inconsistent with the "General Plan Housing Element 4.7 goals,

¹ We have also been advised by Staff that no filing fee is necessary as this appeal is being submitted on behalf of the applicant.

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policies and objectives that seek to conserve the existing stock of affordable housing in the County" (*Id.*), (iii) was out of compliance with the number of units approved (*Id.*), and (iv) was not consistent with General Plan Policy 6.5.5, which required a "secondary access way for any new subdivision in the Urban area where lots are more than 500 feet from a through road" (*Id.*).

As we advised the Commission, the Staff Report's recommendation was flawed in several respects. Among other things, it recommended the Commission support a denial based on criteria that are illegal under controlling state statutes and published appellate court precedent. Under state law, local government authority is restricted to determining a Conversion application's compliance with Government Code section 66427.5. Local governments cannot impose conditions on Conversions not contained in Section 66427.5. That means that local governments cannot condition approval of a Conversion application on consistency with its local regulations, permitting requirements, and/or general plan.

We have already filed a lawsuit challenging the County Ordinance, Ordinance No. 4880, that adopted Section 14.08.070(2) of the County Code imposing the bona fides requirement, among others, which the Staff Report cited to support its recommendation to the Commission. Although the litigation has been stayed pending the County's decision on the Application, we are confident, based on numerous trial court decisions throughout California vacating similar ordinances and resolutions, that the Court will vacate Ordinance No. 4880 because of the illegal conditions on Conversions adopted therein, conditions which the Staff Report attempted to impose.

First, as explained in further detail below, under California law, the state legislature has pre-empted local governments from attempting to pre-judge a Conversion as bona fide or not. Indeed, local governments are preempted from legislating in the area of mobilehome park Conversions entirely. In an effort to provide uniform statewide standards for Conversions and to encourage such Conversions, the state legislature enacted Government Code section 66427.5 to prevent local governments from imposing their own differing requirements on such Conversions, as the Staff Report here attempts to do. Accordingly, the County cannot deny Alimur's Application on the grounds that the Conversion is not "a bona fide resident conversion," as purportedly evidenced by the results of a resident survey suggesting that a majority of the park residents do not support the Conversion.

In fact, the County's definition of "bona fide" demonstrates that the County clearly misunderstands the term. A "bona fide" Conversion is not one in which the majority of the residents support the Conversion and/or purchase their lots. Rather a "bona fide" Conversion is one in which the park owner has a bona fide intent to and does offer the newly subdivided units in good faith to the residents for purchase. Conversely, a "sham" Conversion is one where the park owner purchases one of the newly created subdivided units, prices the remaining units at prohibitively expensive amounts, and claims exemption from local rent control ordinances, or

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merely initiates a Conversion to escape local rent control, without intending in good faith to sell the lots to park residents. See *El Dorado Palm Springs, Ltd. v. City of Palm Springs*, 96 Cal. App. 4th 1153, 1165 (2002) ("*El Dorado*").

If local government and/or residents contend after the true results of a Conversion can be determined, and based on known facts, that the park has not actually been converted to resident ownership, then they may obtain a court's determination that the Conversion has been a sham. That determination is premature at this stage, especially here, where we have concrete evidence, discussed further below, that the resident survey does not accurately reflect the sentiment of the Park residents, who were subject to a campaign of misinformation and harassment by the Park's resident homeowner's association ("HOA").

Here, Alimur has evidenced a bona fide intent to offer the lots to residents for purchase and has made every effort to solicit input from Park residents for months regarding all aspects of the Conversion, including possible incentives, to no avail. However, based on sentiments expressed in the resident letters attached to the Staff Report, we made the following offer in our letter to the Commission dated February 23, 2009 which we believe fairly addresses resident concerns and makes home ownership a feasible possibility for many of the Park residents. In order to make the lots even more affordable for Park residents, Alimur will offer the following incentives and protections if the Board approves the Application at Hearing: (i) a fifteen percent (15%) discount off the appraised fair market value on the purchase price of the unit, (ii) owner assisted financing for up to twenty percent (20%) of the purchase price at an interest rate of four percent (4%) over a ten (10) year period, (iii) and the extension of the statutory rent protection set forth for lower income residents in Section 66427.5, subd. (f)(2) to the moderate income residents such that a moderate income resident's rent increases would also be capped at the Consumer Price Index ("CPI"), or less. In Santa Cruz County, a two person household earning \$55,700 qualifies as low income (for a four person household, an annual income level of \$69,600 qualifies) and a two person household earning \$78,100 counts as moderate income (for a four person household, an annual income level of \$97,600 qualifies).

Second, the County simply cannot condition approval of Alimur's Application on compliance with its local regulations, permitting requirements, and/or General Plan. Pursuant to Subdivision (e) of Section 66427.5, local government authority is clearly restricted to determining whether an applicant for Conversion has complied with the requirements contained therein. Therefore, the County cannot deny the Application because it is allegedly inconsistent with the County Code's bona fides requirement, discussed above, the County General Plan's "Housing Element 4.7 goals, policies and objectives that seek to conserve the existing stock of affordable housing in the County," the General Plan's "Policy 6.5.5, which requires a secondary access way for any new subdivision in the Urban area where lots are more than 500 feet from a through road," and/or the County's alleged permitting requirements, as consistency with the aforementioned are not requirements under Section 66427.5.

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Furthermore, contrary to the Staff Report's allegations, a review of the County's General Plan reveals that the Conversion is consistent with the affordable housing provision in the General Plan. The General Plan states as one of its objectives the preservation of "the existing affordable housing" (General Plan, § 4.7 at p. 147). "Affordable" is defined as "[c]apable of purchase or rental by a household with moderate or lower income." (General Plan, Glossary of Terms at p. G-1.) Therefore, the Conversion is consistent with the General Plan in that it offers affordable purchase housing.

Additionally, the General Plan's Policy 6.5.5 only requires "a [vehicular] secondary access way for any new subdivision." (Staff Report at p. 3, emphasis added.) This provision is inapplicable to the Conversion, which does not involve any change in use and does not constitute a "new" subdivision. As the court made clear in *El Dorado*, "[A] change in form of ownership is not a change in use. After the change of ownership, the mobilehome park will remain a mobilehome park." 96 Cal. App. 4th at 1162. Also, contrary to the Staff Report's contention, the project plans for the Park did not "show a secondary access driveway" which is now blocked by Space No. 110. (Staff Report at p. 7, 11.) Rather, the Park's project plans provided for a pedestrian access, which does exist and is utilized by many tenants of the Park. Space No. 110 does not interfere with the use of that pedestrian path to Robertson Drive.

Third, despite the fact that the Park has an operating permit which specifically provides that 147 mobilehome units are permitted, the Staff Report incorrectly maintained that the Park was not in compliance with the County's permitting requirements because only 146 mobilehome units are allegedly permitted.² Although we noted that the record indicates the County was aware of and approved of the 147 lots in the Park, and that, regardless, this finding in and of itself was not adequate to support the denial of the Application as Section 66427.5, which limits local authority to determining compliance with the provisions of that section, in order to expedite approval of the Application, and without waiving any of Alimur's rights, we agreed to condition approval of the Application on closing one (1) unit in the Park. Furthermore, to address the concern in the Staff Report regarding the secondary vehicular access way, which is not required at the Park, is blocked, we agreed that the unit to be removed would be the one occupying Space No. 110.

In light of the clear state law, and the additional compromises we have offered to expedite approval, the Board of Supervisors must approve the Application.

² The relevant documents mentioned herein were be submitted into the record at the Planning Commission hearing on this matter.

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I. The County's Power Is Strictly Limited To Determining If Owners Have Complied With Specific Requirements Of Government Code Section 66427.5

As we have repeatedly advised the County, under California law, local government authority with regards to Conversions is strictly limited to determining if applicants have complied with the requirements enumerated in Government Code section 66427.5. To deny the Application on the grounds set forth in the Staff Report, which were wholly unrelated to compliance with Section 66427.5, is therefore illegal under California law.

The California Court of Appeal directly addressed the limitations on local government's authority in reviewing a mobilehome park Conversion application in the seminal *El Dorado* case and held that local governments **"only had the power to determine if [the applicant] had complied with the requirements of [Section 66427.5]."** 96 Cal. App. 4th at 1163-64 (emphasis added). In fact, this law firm was responsible for successfully litigating this very issue in *El Dorado*, as well as in several trial court cases throughout California.

In *El Dorado*, the City of Palm Springs ("Palm Springs") conditionally approved El Dorado's mobilehome park Conversion application; however, the Palm Springs City Council imposed three conditions not found in Government Code section 66427.5. *See id.* at 1156-57. The Court of Appeal applied the plain and unambiguous language of the statute and held that Palm Springs had no power or authority to impose conditions on El Dorado's Conversion application other than those found in Section 66427.5.

Although Palm Springs argued that the conditions it imposed were designed to prevent an abuse of the Conversion process by a possible fraudulent or "sham" Conversion intended only to avoid the local rent control ordinance, the Court found that "section 66427.5, subdivision (d) provides that 'The scope of the hearing shall be limited to the issue of compliance with this section.' Thus, the City lacks authority to investigate or impose additional conditions to prevent sham or fraudulent transactions at the time it approves the tentative or parcel map." *Id.* at 1165 (emphasis added).

Accordingly, under *El Dorado*, the County's authority is strictly limited to confirming that Conversion applications comply with the requirements contained in Government Code section 66427.5.³ The County cannot condition approval of the Application on the requirements discussed in the Staff Report, which are not contained in Section 66427.5.

³ Section 66427.5 requires, in sum, (1) that existing tenants each receive an option to either purchase their lot or continue their tenancy, (2) that the applicant file a tenant impact report on the Conversion, (3) the applicant submit a survey of support for the proposed Conversion by written ballot from the residents, (4) that the applicant shall be subject to a hearing by the local

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The *El Dorado* court conclusively determined that: (i) Government Code section 66427.5 controls a mobilehome park Conversion from a rental park to a resident-owned park (*Id.* at 1158-63); (ii) the purpose of Government Code section 66437.5 is to provide uniform statewide standards for converting rental parks into resident-owned parks, thereby promoting Conversions to home ownership (*Id.* at 1169-1170); (iii) the requirements set out in Government Code section 66427.5 are exclusive and local government has no authority to impose additional conditions (*Id.* at 1164, 1166); (iv) if the requirements of Government Code section 66427.5 are met, the local agency must approve the Conversion application (*Id.* at 1165, 1167); (v) local government does not have the ability or the authority to determine whether a Conversion is "bona-fide" or not (*Id.* at 1165); and (vi) mobilehome park residents do not have and cannot have the ability to veto a Conversion by withholding support for a Conversion application (*Id.* at 1172, 1181-82).

II. The 2002 Amendment to Section 66427.5 Adding A Requirement Of A Survey Of Resident Support Did Not Confer Additional Authority On Local Governments

In 2002, post-*El Dorado*, the Legislature amended Government Code section 66427.5 to add the requirement that the applicant obtain a survey of resident support to the other pre-existing statutory requirements ("2002 Amendment"). See Cal. Gov. Code, § 66427.5(d). However, **the Legislature did not amend in any way the scope of authority of the local government.** Rather, local government is restricted to determining whether the survey of resident support ("Survey") is conducted and submitted in accordance with the requirements set forth in Section 66427.5.

The Legislature left in place and untouched the explicit provision which the *El Dorado* court found dispositive on the issue of local governments' lack of authority to investigate or impose additional conditions to prevent sham or fraudulent Conversions at the time of tentative map approval: "The scope of the hearing shall be limited to the issue of compliance with this section." Cal. Gov. Code, § 66427.5, subd. (e) (formerly Gov't Code, § 66427.5, subd. (d); see *El Dorado*, 96 Cal. App. 4th at 1165. If the Legislature had intended to allow the added requirement of a resident survey to give the local agency authority to deny the application based on survey results, it certainly would not have left this language in place.

The *El Dorado* court specifically rejected the contention that a Conversion application requires any level of resident support for its legitimacy or its approval. Indeed, giving park residents effective veto would directly conflict with the legislative intent to foster and encourage Conversions and provide for uniform statewide requirements. *Id.* at 1172, 1182.

government limited to the issue of compliance with Section 66427.5, and (5) that state rent control, as detailed in subdivision (f), applies to all tenants who elect not to exercise their right to purchase.

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Tess E. Fitzgerald, Clerk of the Board
Santa Cruz County
March 5, 2009
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Again, nothing in the 2002 Amendment changed the statute or the legislature's intent not to allow residents to veto or block the Conversion. As the AB 930 Assembly Bill analysis explains:

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**. It is foreseeable that the results of this survey could be used to argue to a **court** that the conversion is a sham and that the rent formulas in Section 66427.5 should not be applied. **The fact that a majority of residents do not support the conversion is not however an appropriate means for determining the legitimacy of the conversion. The law is not intended to allow park residents to block a request to subdivide.** Instead, the law is intended to provide some measure of fiscal protection to nonpurchasing residents. (Emphasis added.)

The legislative history of the 2002 Amendment adding the Survey requirement explicitly states that "[t]he law is not intended to allow park residents to block a request to subdivide," yet, this is exactly what the Staff Report proposed. The Staff Report called for the County to pre-judge at the time of application whether the Conversion is "bona fide" based on the level of resident support. This clearly gives park residents power to block a Conversion application and is illegal in light of state statutes and *El Dorado*.

If the County conditions approval of the Application on resident support, it would completely undermine the entire purpose behind the state statute to provide uniformity of conditions on Conversions throughout the state and to encourage such Conversions.

III. Only The Courts, And Not The County, Have The Authority To Determine Whether A Conversion Is Not "Bona Fide"

As previously stated, Section 66427.5 does not give the County the authority to define a bona fide Conversion, to decide whether an applicant's Conversion application is "bona fide" or not, or to set its own criteria for determining whether a Conversion is bona fide or not. See, *El Dorado*, 96 Cal. App. 4th at 1165 ("[T]he City lacks authority to investigate or impose additional conditions to prevent sham or fraudulent transactions at the time it approves the tentative or parcel map."). To the contrary, Section 66427.5 explicitly limits the County's authority to a determination of whether its specific requirements have been met. Permitting the

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County to block a Conversion because it has decided for itself that the proposed Conversion is not bona fide, according to criteria it arbitrarily established, would defeat the legislative intent to promote Conversions to resident-ownership and to establish uniform statewide standards for such Conversions.

The Legislature amended Section 66427.5 only to add the requirement that the applicant obtain a survey of resident support to the other pre-existing statutory requirements. The Legislature did not amend in any way the scope of authority of the local government. Rather, it is the duty of *the courts* to ensure that a park owner cannot use a failed or fraudulent Conversion to escape local rent control. *El Dorado*, 96 Cal. App. 4th at 1165-1166 and 1166 n. 10; *see also Donohue v. Santa Paula West Mobile Home Park*, 47 Cal.App.4th 1168 (1996) ("*Donohue*"). In the event of a sham or unsuccessful Conversion, a court will refuse to apply the state rent provisions of Section 66427.5 in place of local rent control. *Id.* In this way, residents are protected from any unscrupulous park owner that might attempt to escape local rent control though a so-called "sham" Conversion.

In *Donohue*, a Conversion application was filed and approved. However, the park residents were never able to obtain necessary financing and no lots were ever offered for sale or sold. In essence, the Conversion process collapsed shortly after it had begun and no resident owned any part of the park. Nevertheless, the park owner attempted to increase rents by the amounts permitted under Section 66427.5. The park residents therefore sought injunctive and declaratory relief that the park owner was not permitted to invoke the state rent control provisions of Section 66427.5. The Court agreed. It found that no Conversion had occurred, and therefore the park owner could not invoke Section 66427.5's rent provisions. *Donohue*, 47 Cal.App.4th at 1173-1177. The *El Dorado* court later stated, "[A]s *Donohue* illustrates, *the courts* will not apply section 66427.5 to sham or unsuccessful conversions." *El Dorado*, 96 Cal. App. 4th at 1166 n. 10, (emphasis added).

If and when the subdivider claims the Conversion has occurred and state rent control governs the rents chargeable to tenants who elect not to buy, any serious contention that the Conversion is fraudulent or illegitimate can and should be addressed to the courts just as in *Donohue*. *See El Dorado*, 96 Cal. App. 4th at 1165-1166 and 1166 n. 10; *Donohue*, 47 Cal.App.4th at 1168. A court can evaluate the Conversion process as a whole, including the number of tenants who indicated an intent to buy, the number of escrows opened, the availability of financing at the prices offered, etc. If these and other facts demonstrate a sham in violation of state law, there is no doubt that a court would invalidate the Conversion and confirm that the park remains a rental facility subject to local rent control. That inquiry is premature at the time local government considers the Conversion application – the first step in a long and highly regulated process. Moreover, Section 66427.5 makes clear it is not within the local authority's power to investigate or regulate these matters as part of the tentative tract map approval process.

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Nothing in the 2002 Amendment changes this process. The Survey merely provides additional facts that might be considered if the Conversion is challenged.

Finally, we note that here the resident surveys do not even accurately reflect the sentiment of the Park residents, who were subject to a campaign of misinformation and harassment by the Park's HOA. That residents were fed misinformation is clear in the residents letters attached to the Staff Report, many of which are from low income residents who are nonetheless concerned about being displaced through increased rents. (Staff Report at p. 20, 21, 26, 27, 44.) As we have repeatedly advised the County and the residents, low income residents are protected from displacement by the state statutory rent protection provided in Section 66427.5, which would limit the rent increases for low income residents to the increase in the CPI, or less, for as long as they continue to rent. In addition to this clear campaign of misinformation by the HOA, we submitted evidence that the HOA has harassed Park residents and attempted to intimidate residents into voting against the Conversion.

IV. Alimur's Conversion Is Bona Fide.

As discussed above, contrary to the Staff Report's contentions, the definition of bona fide relates only to the bona fide intent of park owners to convey lots to residents following Conversion, rather than using the Conversion merely to circumvent local rent control in a sham transaction. Accordingly, even if the County did have authority to adjudge the bona fides of a Conversion, which it does not, here was no dispute that the Conversion was bona fide and that Alimur had a good-faith intent to convey the lots to Park residents. Among other things, Alimur offered: (i) a fifteen percent (15%) discount off the appraised fair market value on the purchase price of unit, (ii) owner assisted financing for up to twenty percent (20%) of the purchase price at an interest rate of four percent (4%) over a ten (10) year period, (iii) and the extension of the statutory rent protection set forth for lower income residents in Section 66427.5, subd. (f)(2) to the moderate income residents such that a moderate income resident's rent increases would also be capped at the Consumer Price Index, or less. Even Section 14.08.070(C)(2) specifically states that 50% resident support is unnecessary where the applicant demonstrates that the proposed Conversion is bona-fide.

V. The County Can Not Condition Approval Of A Conversion Application On Consistency With The County's Local Regulations, Permitting Requirements, And/Or General Plan.

The Staff Report recommended denial of the Application because it was allegedly inconsistent with the local regulations, permitting requirements and General Plan. However, a tentative map or preliminary parcel map for a residential use Conversion need comply only with the requirements of Government Code section 66427.5. Government Code section 66427.5, subd. (e) states unequivocally, "The scope of the hearing shall be limited to the issue of compliance with this section." *El Dorado*, 96 Cal. App. 4th at 1163-64, confirmed that the

Tess E. Fitzgerald, Clerk of the Board
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County only has the power to determine compliance with Government Code section 66427.5. The County must approve an application if it complies with Section 66427.5 whether it is consistent with the County's local regulations, permitting requirements, and General Plan or not. *See id.* at 1165. Accordingly, by conditioning approval of the Application on consistency with the County's local regulations, permitting requirements, and General Plan, the Staff Report imposed an illegal condition on approval.

Indeed, not only was the condition of consistency illegal, but the Staff Report's finding of inconsistency was inaccurate. For example, contrary to the allegations in the Staff Report, the evidence showed that the Conversion was consistent with the General Plan's goal to "seek to conserve the existing stock of affordable housing in the County." (Staff Report at p. 3.) The General Plan defines "[a]ffordable" as "[c]able of purchase or rental by a household with moderate or lower income." (General Plan, Glossary of Terms at p. G-1.) Therefore, the Conversion was clearly consistent with the General Plan in that it offered affordable **purchase** housing.

The Staff Report also alleged the Conversion was inconsistent with the County's General Plan in that the Park does not have a "secondary access way" pursuant to the General Plan's Policy 6.5.5 because Space No. 110 allegedly blocks said access. The Staff Report further contended that the Park was not in compliance with the County's permitting requirements because there are 147 mobilehome units whereas the Park is allegedly permitted only for 146 units. As discussed above, neither of these findings were adequate to support the Commission's recommendation of denial because Section 66427.5 limits local authority to determining compliance with the provisions of that section. Furthermore, denial of the Application is not the appropriate remedy for these alleged inconsistencies, which more properly require notices of non-compliance and adherence to certain administrative procedures.

Moreover, the Staff Report's findings were simply incorrect. For example, contrary to the assertions in the Staff Report (Staff Report at p. 3), a secondary vehicular access road was never a requirement of the Park. The record indicates only that a pedestrian access was required. Such access does exist and is utilized by many tenants of the Park. Space No. 110 does not interfere with the use of that pedestrian path to Robertson Avenue. In addition, also contrary to the claims in the Staff Report, the Park has an operating permit that specifically provides that 147 mobilehome units are permitted. Our records indicate that the County has been fully aware of this fact and has approved of the Park as a 147 unit mobilehome park.

However, in order to expedite approval of the Application, and without waiving any of Alimur's rights, we had agreed to condition approval of the Application on closing Space No. 110, which the Staff Report alleged was blocking the secondary access way, thereby addressing both of the concerns raised in the Staff Report.

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VI. Alimur Will Seek Damages Against The County For A Delay In The Approval Of Its Conversion Application.

The Court of Appeal's holding in *El Dorado* and decisions by other courts have made very clear that local governments are pre-empted from imposing conditions on mobilehome park Conversions beyond those set forth in Section 66427.5. If Alimur is forced to seek court intervention to obtain approval of its Application, any delay incurred will cause damages to Alimur.

Any delay caused by the County to the Conversion will cause the County to be liable for inverse condemnation, or "takings," damages. The proper measure of damages for a taking would award the landowner "the return on the portion of fair market value that is lost as a result of regulatory restriction," or "the market rate return computed over the period of the temporary taking on the difference between the property's fair market value without the regulatory restriction and its fair market value with the restriction." *Wheeler v. County of Pleasant Grove*, 833 F.2d 267, 270-71 (11th Cir. 1987). Courts are in agreement that appreciation of the property during a taking must not be factored into the inverse condemnation damages calculation. See *Wheeler*, 833 F.2d at 271; *Herrington v. County of Sonoma*, 790 F. Supp. 909, 914 (N.D. Cal. 1991), *aff'd*, 12 F.3d 901 (9th Cir. 1993).

A handful of local governments, in a misguided attempt to frustrate and delay Conversions, have either passed illegal ordinances attempting to impermissibly regulate Conversions, such as the County's Ordinance No. 4880, or have approved illegal resolutions which have impermissibly denied applications for Conversions. With one exception, these attempts have all failed.⁴

Thus far, this firm has obtained several writs of mandate from trial courts throughout California, including Riverside County, Los Angeles County, San Mateo County, and Santa Barbara County, compelling local governments to correct their illegal attempts to frustrate and delay Conversions. Specifically, we have obtained writs (i) compelling two (2) local governments to overturn resolutions which impermissibly denied Conversion applications for their alleged failure to evidence resident support; (ii) invalidating a local ordinance that attempted to impose illegal conditions on Conversions, such as requiring that applicants meet certain health and safety requirements within the parks, provide certain maintenance documents and engineering reports, and submit a tenant impact report containing extensive and burdensome information not within the local government's proper discretion or consideration, in violation of

⁴ The exception is with regards to the County of Sonoma in *Sequoia Park Associates v. County of Sonoma*, Sonoma County Superior Court, Case No. SCV 240003. There, a temporary judge issued a bare-bones opinion less than one page long upholding a facial challenge to Sonoma County's ordinance regulating Conversions. This case is currently on appeal.

LAW OFFICES
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March 5, 2009
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Section 66427.5; (iii) vacating a resolution requiring an Environmental Impact Report as part of the Conversion process; (iv) vacating ordinances which imposed illegal temporary moratoriums on Conversions; (v) overturning the requirement that Conversions must comply with local general plans and/or specific area plans, including affordable housing requirements; and, (vi) overturning the requirement that an applicant make changes to a park's infrastructure to allegedly address health and safety concerns.

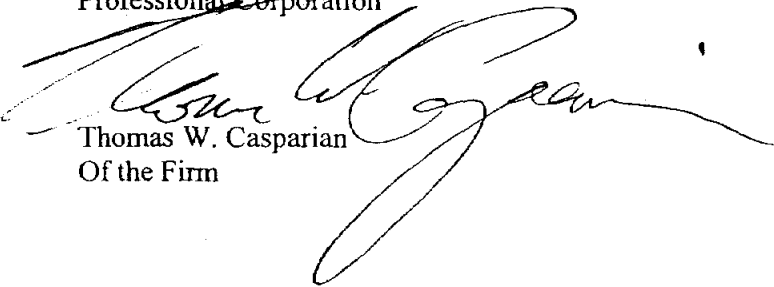
In addition, we are currently pursuing claims for damages against the local governments involved in these actions and have recently settled a suit for approximately \$1 million against the City of Palm Springs for its actions in the seminal *El Dorado* case, discussed above.

Alimur hopes that the Board of Supervisors rejects the Commission's recommendation and approve the Application. If the County denies and/or delays the Conversion however, we will be forced to bring claims against the County for inverse condemnation and other wrongful acts.

Please include this letter and all letters the County Counsel's office has been copied on regarding this matter in the record of proceedings on this matter.

Very truly yours,

GILCHRIST & RUTTER
Professional Corporation


Thomas W. Casparian
Of the Firm

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4653.001

cc: Dana McRae, County Counsel (Via FedEx)

EXHIBIT

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ROGER Willenborg

0638

4300 Sequel Dr #204

Sequel CA 95073-2150, April 1, 2009

SANTA CRUZ BOARD OF SUPERVISORS
Concerning Application # 07-0310

I AM A RETIRED SENIOR CITIZEN
LIVING IN ALIMUR MOBILE HOME PARK
SINCE 1993.

OF THE 147 SPACES ONLY 2 SPACES
VOTED FOR THE CONVERSION. ABOUT 5
SPACES DID NOT VOTE.

SID GOLOSTEIN, PAUL JOEL GOLOSTONE
AND THEIR LAWYERS, ULTIMATE GOAL
IS TO DO AWAY WITH RENT CONTROL
AND LOW INCOME HOUSING.

I WOULD LIKE TO REMIND THE
BOARD OF SUPERVISORS THAT THE
CITIZENS OF SANTA CRUZ COUNTY AND
THE CITIZENS OF THE STATE OF
CALIFORNIA VOTED FOR RENT CONTROL
AND LOW INCOME HOUSING.

I ALONG WITH THE VAST MAJORITY
OF ALIMUR MOBILE HOME PARK
RESIDENTS URGE YOU TO NOT
APPROVE THE CONVERSION.

Thank You,

Roger Willenborg

EXHIBIT

April 15, '09

Board of Supervisors,

Since I will not be able to attend the hearing on April 21, '09, I have written a letter Mr. Goldstone's law firm with my concerns. Enclose is a copy. I hope you'll find this helpful in making your recommendations.

Sincerely yours
Cynthia Burt



#51

EXHIBIT E

EXHIBIT E

Dear Susan and Brett

Thank you so much for addressing my concerns regarding the conversion to resident ownership at Alimur Mobile Home Park.

I was quite satisfied and relieved after reading your reply to my questions. I shared the letter with a neighbor, in hopes of easing their fears over the proposed conversion. Their reply was "Yeah, if you can believe them."

The biggest fear among us living here, is that what happened to the residents of DeAnza Mobile Home Park will happen to us. Seeing as Mr. Goldstone was

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not the owner of Ne Unza,
and in no way responsible
for what happened there —
- Yeah! I would like to
believe "in them."

But I am still
not without concerns. As
I won't be able to attend
the hearing with the Board
of Supervisors, perhaps you
can address and answer
my next round of questions
with them.

You had mentioned
a state financing program
to help low incomers buy
our lot. What I am hearing
from those who oppose the
Conversion, is that there
are no funds available due
to California's bad state of

EXHIBIT

economy. How can we find out if - and how much - funds are available? Will they be able to finance all of the loans for all of the low incomers who choose to buy? How can we find out more about this program? It sure would be great if a representative from their office could meet with the residents here at Alimur.

My other concern is that I only have 30 amps of electricity. In order to replace my mobile home with a manufactured home - I need at least 50 amps (so I am told). Is the owner willing to up-grade all thoes

EXHIBIT

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who only have 30 to 50
before selling us our lots -
without passing the cost
onto us?

Can thoes who want
to replace their mobile home
with a manufactured home
do so with this state
financing also - or must
they get a seperate loan?

Thank you so much
for being so caring to
address the concerns and
fears that I, and fellow
residents, have over this
proposal to convert. You
have made yourself
available and open to
answear whatever questions
I, or fellow residents may
have. If this is any

EXHIBIT B

EXHIBIT B

indication of Mr. Goldstone
integrity, I think fellow
residents of Alimur should
not be so afraid to
trust; and to believe that
it just might be possible
for a bussiness man to
be honest and fair.

Thank You Once Again

Cynthia Bunch

4300 Soquel Dr

Sp 9

Soquel, Ca

95073

EXHIBIT

EXHIBIT E

EXHIBIT E

LAW OFFICES
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TELEPHONE (310) 393-4000
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E-MAIL: tcasparian@gilchristrutters.com

April 21, 2009

VIA HAND DELIVERY

Supervisor John Leopold
Supervisor Ellen Pirie
Supervisor Neal Coonerty
Supervisor Tony Campos
Supervisor Mark W. Stone
Board of Supervisors, County of Santa Cruz
701 Ocean Street, Room 500
Santa Cruz, California 95060

Re: Application No. 07-0310 to Convert the Existing Alimur Mobilehome Park From
a Rental-Only Park To Resident Ownership – Board of Supervisors' Hearing:
Tuesday, April 21, 2009

Dear Supervisors Leopold, Pirie, Coonerty, Campos and Stone:

This letter, entered into the record on behalf of the owners of Alimur Mobilehome Park ("Alimur" or the "Park"), responds in part to the letter dated January 20, 2009 from Terrence Lee Hancock, attorney for the homeowners' association of Alimur ("HOA" or "AHA").

Mr. Hancock refers to information, and later, evidence, I provided to him and the County regarding resident-on-resident intimidation regarding the Survey of Support. As he correctly relates in his letter, upon being informed by me that HOA members had harassed and intimidated other residents at the time of the Survey regarding how it should be filled out, he demanded that I provide him the names of those who were harassed.

As Mr. Hancock is the lawyer for the group that engaged in the harassment and intimidation, I did not, and do not, believe he sought the information for any purpose other than to advance his client's interests. Residents who were harassed and intimidated by his client are reluctant, to say the least, to provide their names to Mr. Hancock, of all people. Accordingly, I ignored his demand.

However, I later provided to the County a sworn declaration by Ms. Cynthia Bunch attesting to unmistakable harassment and intimidation regarding her completion of the Survey. Not only does Ms. Bunch recount the harassment in detail, she additionally states she continues to fear "being retaliated against by members of the AHA."

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Supervisor John Leopold
Supervisor Ellen Pirie
Supervisor Neal Coonerty
Supervisor Tony Campos
Supervisor Mark W. Stone
Board of Supervisors, County of Santa Cruz
April 21, 2009
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I now know that Ms. Bunch's fears, and my suspicions regarding Mr. Hancock and his client, were well founded. After Ms. Bunch's name became public, Mr. Hancock sent a letter to Ms. Bunch. That letter, attached here as Exhibit "A", was an outrageous attempt by a lawyer to further intimidate Ms. Bunch. In his letter, Mr. Hancock states to Ms. Bunch, regarding the AHA member who harassed her, that "only you and he are witnesses to what transpired during that conversation." Mr. Hancock may have well said, "It's your word against his, and who is going to believe you against the power of the AHA?"

Furthermore, throughout his letter, Mr. Hancock attempts to further intimidate Ms. Bunch into changing her survey response, even asking at one point, "If you have changed your mind, however, please let me know ..."

Despite Mr. Hancock's intimations to this Board and efforts otherwise, Ms. Bunch has apparently not been cowed. A recent letter from her reaffirming her support for the Conversion is attached, attached here as Exhibit "B".

Furthermore, Mr. Hancock has obtained statements from several other park residents who were "visited" by HOA member Jack Ryan during the Survey's distribution. These statements confirm that Mr. Ryan, if not others, conducted a house-to-house campaign in an attempt to influence the Survey results (a fact also borne out by the unusually high response rate). This interference with the Survey violates the agreement between the park owner and the HOA. In fact, Mr. Hancock himself refused to allow the park owner even to distribute informational material with the Survey stating that "the vote would be meaningless and subject to formal challenge" if it did. A copy of Mr. Hancock's letter is attached here as Exhibit "C". If a letter from the park owner contemporaneous with the Survey would render the results meaningless, as Mr. Hancock stated, then there can be no doubt that a door-to-door campaign does as well.

This history demonstrates, in part, why the Legislature did not intend the Survey of Support as a veto of a conversion application, but rather as informational only. Here, the Survey results provide particularly dubious insight.

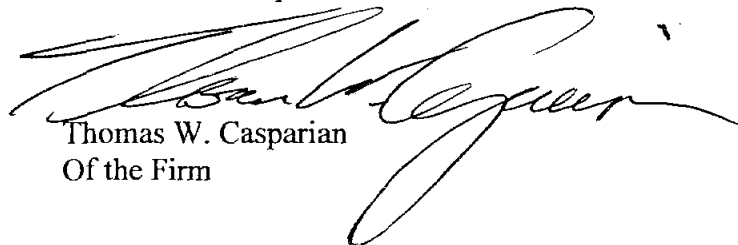
EXHIBIT E

Supervisor John Leopold
Supervisor Ellen Pirie
Supervisor Neal Coonerty
Supervisor Tony Campos
Supervisor Mark W. Stone
Board of Supervisors, County of Santa Cruz
April 21, 2009
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Please include this letter in the record of proceedings on this matter.

Very truly yours,

GILCHRIST & RUTTER
Professional Corporation



Thomas W. Casparian
Of the Firm

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4653.001

cc: Dana McRae, County Counsel
Tom Burns, Santa Cruz County Planning Department
Gail Pellerin, Santa Cruz County Clerk

EXHIBIT E

EXHIBIT A

EXHIBIT E

LAW OFFICES OF
SENIOR CITIZENS LEGAL SERVICES
SERVICIOS LEGALES PARA PERSONAS DE MAYOR EDAD

Website: www.seniorlegal.org E-mail: terryhancock@seniorlegal.org

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Hollister Office
300 West Street
Hollister, CA 95023
Ph: 831.637.5458
Fax: 831.637.9767

March 23, 2009

Cynthia Bunch
4300 Soquel Drive, Space #9
Soquel, CA 95073

Re: Proposed Conversion of Alimur Mobilehome Park

Dear Ms. Bunch:

My name is Terry Hancock and I am an attorney with Senior Citizens Legal Services. I represent the Alimur Homeowners Association (HOA) who are opposing the proposed conversion of the park. I am writing now to confirm whether you still support the proposed conversion.

The reason for my confusion is because of two separate documents that were submitted to the Santa Cruz County Planning Commission (Commission) concerning your opinion.

The first document was a declaration that I believe was prepared for you at the direction of the park owner's attorney, Thomas Casparian, an attorney for Gilchrist and Rutter. A copy of your declaration is attached as Exhibit A. This declaration was submitted into the public record before the Commission hearing by Mr. Casparian. The apparent intent of submitting it was to attack the legitimacy of the resident vote which overwhelmingly opposed the conversion proposal and to imply that the vote totals should be discounted because you and perhaps other residents were intimidated during the balloting process.

My understanding is that you were upset about the way you were contacted by a park neighbor shortly before the resident survey vote but that, in fact, you voted to support the proposed conversion. When I attended the hearing before the Commission on February 25, 2009, however, I became a bit less certain about your position after I was provided with a copy of a more recent letter from you addressed to the Commission. In it, you voiced "your concern about his proposal to convert the park into a resident owned manufactured home park." You also questioned whether, if you chose "to buy, will the mortgage be comparable to what the rent is now?" A copy of your letter is attached as Exhibit B.

The questions you asked in your recent letter are important ones and you should obtain the correct answers. If you need more information about how the conversion will affect you, you can contact me, members of your HOA or the attorneys who represent the park owner, Tom Casparian and Richard Close.


EXHIBIT E

The next round of review of the conversion proposal will be conducted by the Santa Cruz County Board of Supervisors (BOS). The BOS members should be informed about any of the residents, whether they voted "yes" or "no" initially, who now wish to change their votes. As you probably know, the survey vote resulted in only two residents supporting the conversion. If you still support it, that's fine and I will advise the BOS to that effect. If you have changed your mind, however, please let me know that as well.

I regret that you felt that anyone was trying to improperly influence your vote. The neighbor whom you have accused says that he was simply trying to persuade you, not coerce you, but only you and he are witnesses to what transpired during that conversation. Also, I can tell you that I am unaware of any other actual, similar complaints except the so-far unverifiable claims by Mr. Casparian.

Please let me know where you stand on the conversion proposal or if you need any additional information about how it will affect you. Also, if you know about any other resident who thinks he or she was improperly coerced, please let me know. The HOA Board members and I want to be absolutely sure that everybody voted freely and in accordance with their personal beliefs.

Sincerely yours,



Terrence Lee Hancock
Attorney At Law

cc: Thomas Casparian by email only
Rahn Garcia by email only
HOA by email only

encls

S:\DAtyClients\Litigation&AdmHearings\LegalAssist\Housing\Mobilehome\SCounty\RentC-Adm\Almur-Conversion\Bunch01a.LtrRePosition.wpd

EXHIBIT E

DECLARATION OF CYNTHIA BUNCH

I declare under penalty of perjury that on or about August 22, 2008 I received a Resident Survey in my mail. On the day I received the survey, there was a knock on my door later that afternoon. It was one of my neighbors, a member of the Alimur Homeowners Association ("AHA"), asking if I had received the survey.

I told him yes but I didn't have the chance to open it yet. He said, "Where is it? I'll go over it with you and point out a few things to help you understand it." I went and got the survey, opened it and handed it to him. He flipped the first page or two over saying I didn't need to "worry about this stuff. It's just things that we heard about in previous AHA Meetings about the conversion." He got to the last page and said, "This is where it is important. You sign here," and he pointed to the line, "...to vote against the conversion."

He then asked, "You are with us aren't you? You are going to vote against the conversion?" I wasn't about to start a debate with him and I didn't want to get him angry with me - so I told him "Yeah." He said "OK, here" and handed me a pen and said, "Go ahead and sign it."

I didn't take the pen from him, and that's when he started to get me upset and angry about his bullying. At that point I just looked at him and asked "What are you, the park's police? Making sure that everyone does vote against it. What, you don't trust me? You need to see me sign against?" I told him I would sign it later when I had more time. I had just got home from work- just got out of the shower, and had to get ready to go to work again to my second job. By then I just wanted to get him to leave. He saw that he wasn't getting anywhere with me - that I wasn't going to sign it in front of him to witness. He said, "Ok, but make sure you make a copy of your vote, for your records."

I replied "Why? So you see the copy and how I actually voted?" He then left, obviously not happy with me and disappointed that he wasn't able to bully me into doing what he wanted. And as he walked up the street (away from his house) I wondered who else he was going to try and bully next.

By then, I was more decided than ever to vote for the conversion - but it got me wondering. Was it a confidential vote or was it going to be made open to the public down in some record hall to see who voted which way. If it was to be a matter of public record, I did not want to vote for it then have to deal with the wrath of those who were/are against it. I would have just not voted at all.

The next day I phoned Lori Adam, whom we were to send our vote to and asked her if our vote was confidential or would it be made public. She said she wasn't sure, she was just collecting them and referred me to Gilchrist & Rutter with my question. It was only after I was assured my vote was confidential, and I would not have to fear being retaliated against by members of AHA that I felt comfortable enough to go ahead and vote for what I would like to see come about for the future of Alimur Park.

Signed this 2 day of October, 2008.

Cynthia Bunch
(Signature)

Cynthia Bunch
Name

EXHIBIT E

Additions to the Staff Report for the Planning Commission

Item 7: 07-0310

Late Correspondence

EXHIBIT B

EXHIBIT B
PAGE 1 OF 3

To Whom it may concern

I live in the Alimur Mobile Home Park and will be out of town when the owner of our park is scheduled to appear before your commission. I would like to voice my concern about his proposal to convert the park into a resident-owned manufactured home park. While I think this is a wonderful opportunity to become a land owner in Santa Cruz county - I, like others here, am considered "Low-income." - With rent control now in effect, I am confident that I will be able to afford to continue living here in my retirement. In a few short years - with only my social security to live off of - will I still be able to do so if the park is converted?? - If I choose to buy - will the mortgage be comparable to what the rent is now?? - Being low-income - will I even be able to qualify for a loan if I did want to purchase my lot? - If denied a loan - & forced to continue to rent from the owner - will the state's rent

Control laws protect me as much
the county's that are now in effect?

- It all comes down to a
question of money! Can or will the
owner guarantee that the Low income
who are now presently living here in
the park can continue to do so?

If after 10 yrs, living at Alimur
becomes unaffordable for me - is the
county going to help shelter me??

- How long is the wait to
get on section 8 ???

Cyndi Bunch
Alimur resident #9

EXHIBIT B

EXHIBIT E

April 15, '09

Dear Susy and staff

Thank you so much for addressing my concerns regarding the conversion to resident ownership at Alimur Mobile Home Park.

I was quite satisfied and relieved after reading your reply to my questions. I shared the letter with a neighbor, in hopes of easing their fears over the proposed conversion. Their reply was "Yeah, if you can believe them."

The biggest fear among us living here, is that what happened to the residents of Deanza Mobile Home Park will happen to us. Seeing as Mr. Goldstone was

EXHIBIT B

not the owner of De Anza,
and in no way responsible
for what happened there —
- Yeah! I would like to
believe "in them."

But I am still
not without concerns. As
I won't be able to attend
the hearing with the Board
of Supervisors, perhaps you
can address and answer
my next round of questions
with them.

You had mentioned
a state financing program
to help low incomers buy
our lot. What I am hearing
from those who oppose the
conversion, is that there
are no funds available due
to California's bad state of

EXHIBIT

economy. How can we find out if - and how much - funds are available? Will they be able to finance all of the loans for all of the low incomers who choose to buy? How can we find out more about this program? It sure would be great if a representative from their office could meet with the residents here at Alimur.

My other concern is that I only have 30 amp of electricity. In order to replace my mobile home with a manufactured home - I need at least 50 amps (so I am told). Is the owner willing to up-grade all thoes

EXHIBIT

who only have 30 to 50
before selling us our lots -
without passing the cost
onto us?

Can thoes who want
to replace their mobile home
with a manufactured home
do so with this state
financing also - or must
they get a seperate loan

Thank you so much
for being so caring to
address the concerns and
fears that I, and fellow
residents, have over this
proposal to convert. You
have made yourself
available and open to
answear whatever question
I, or fellow residents may
have. If this is any

EXHIBIT B

indication of Mr. Goldstone
integrity, I think fellow
residents of Alimur should
not be so afraid to
trust; and to believe that
it just might be possible
for a bussiness man to
be honest and fair.

Thank you once again

Cynthia Bunch

4300 Soquel Dr

Sp 9

Soquel, Ca

95071

EXHIBIT 6

EXHIBIT C

LAW OFFICES OF
SENIOR CITIZENS LEGAL SERVICES
SERVICIOS LEGALES PARA PERSONAS DE MAYOR EDAD

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Hollister, CA 95023
Ph: 831.637.5458
Fax: 831.637.9767

October 24, 2007

By mail and email to: tcasparian@gilchristutter.com

Tom Casparian
Gilcrist & Rutter
1299 Ocean Avenue, Suite 900
Santa Monica, CA 90401

Re: Proposed Conversion of Alimur Mobile Home Park
Written Ballot Survey Draft
Voting Procedure
Park Meeting on Monday November 5, 2007

Dear Mr. Casparian:

I am writing to respond to your letter dated October 2, 2007.

1. **Revised Draft of Resident Survey Form.** Your October 2nd letter included a revised draft of the resident survey form. I reviewed it carefully with my clients and prepared a revised draft which is attached with this letter.

The enclosed draft adopts many of the suggested revisions from your most recent draft including the two legal statements that your client wants printed at the bottom of each page. However, I removed certain phrases that were in your draft. I also re-inserted other text that you had deleted from my previous drafts. I think these changes are necessary to ensure that the survey adequately explains the effect of the voting process.

For example, I again deleted the sentence that states that residents "can support the change of ownership to a resident-owned condominium park without a personal desire to purchase" their lot. My clients and I continue to find this language confusing; it implies that residents should vote to approve the proposed conversion simply because they would like to see the park become a condominium park regardless of the actual conditions that would attach to your clients' proposal. Moreover, the first sentence of the second paragraph already states that each resident space is entitled to one vote so this second restatement of the same entitlement is redundant.

I reinserted the text from my earlier draft that advised residents that the space rents would no longer be governed by the Santa Cruz County Municipal Code §13.32, the County's mobilehome rent control ordinance. There is no dispute that this will be one of the effects of the conversion. The Residents' rents have been governed by this ordinance since 1982 so it is important that they

EXHIBIT E

understand that will no longer be the case if the park is converted.

I also deleted that portion of your draft that mentioned Santa Cruz County Ordinance No. 4880 and an "attached...Draft Tenant Impact Report ('TIR')." I do not think it is appropriate that the Survey refer to an ordinance that has its own separate requirements and to a "TIR" that the Residents have not had an opportunity to review or approve.

The Residents and the Park Owner are required by the statute to try to agree on the terms of a "survey of support," nothing more. Moreover, I am concerned that the purpose of inserting this language may represent an effort to try to comply, by means of the survey itself, with the separate obligations imposed by the new County ordinance. This language is not acceptable. Also, please note that the Residents will not agree to any proposal to distribute other documents with the Survey, or contemporaneous with the Survey, unless the Residents have previously agreed to the text of such documents. If this happens, the vote will be meaningless and subject to formal challenge.

2. Voting Procedure.

a. Tabulating Votes. The Residents would agree to have an independent CPA office tabulate the votes.

b. Retention of Votes. The Residents want the votes to be retained and secured for the duration of the application process in the event that there is any question about the voting results.

c. Examination of Votes. Both counsel should be permitted to review the ballots themselves after the voting has taken place provided guarantees are in place to prohibit the disclosure of individual votes without the voter's permission or a court order.

3. Invitation to the Resident Meeting. This will confirm your invitation to attend their next park-wide Resident meeting at 7:00 p.m. on Monday, November 5, 2007, at the Park clubhouse. Unfortunately, the Residents cannot accommodate your request to move the meeting to a different date. This is a regularly scheduled meeting and moving it might reduce attendance.

I believe that we have agreed on the following procedures for the meeting:

a. Park Owner Presence. You have agreed to invite the owners to attend as the Residents would appreciate their presence.

b. Park Owner Presentation Time. The presentation by the Park Owner and/or by his representatives will be 30 minutes with another 30 minutes set aside for questions by the Residents.

c. Written Questions by Residents. To ensure civility and to avoid repetitive questions, the Residents will use pre-selected written questions during the "question time" that will be read

EXHIBIT 1

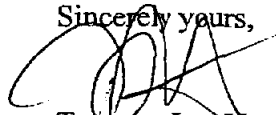
by one person chosen by the Residents. The Residents will provide you with their proposed written questions by October 29, 2007 and you will provide the questions you would like to be asked on that same date to me. The Residents will make the final decision on which questions will actually be used and those will be provided to you in advance. No other questions will be used.

d. Video Recording. You have agreed that the Residents may record the meeting for those who are unable to attend.

e. Moderator. The Residents will have one of their Board members serve as the moderator at this meeting. I will not have any formal role.

Please let me know who will be coming as soon as possible. The Residents would like to provide ample advance notice to get a good turnout. Also, please let me know if you agree to use the attached survey form.

Sincerely yours,



Terrence Lee Hancock
Directing Attorney
terryhancock@seniorlegal.org

cc: Clients
Rahn Garcia, Office of the County Counsel

S:\DAtty\Clients\Litigation&AdmHearings\LegalAssist\Housing\Mobilehome\SCounty\RentC-Adm\Alimur-Conversion\Casparian04.LtrReSurvey&ParkMtg.wpd

EXHIBIT B

ALIMUR MOBILEHOME PARK
CA Gov't Code § 66427.5(d)(1) SURVEY OF RESIDENTS

The owner Alimur Mobilehome Park has filed an application with the County of Santa Cruz to convert Alimur Mobilehome Park to a resident owned condominium subdivision. California Government Code §66427.5(d)(5) requires the park owner to submit to the County a survey of resident support for the conversion, obtained through the enclosed written ballot.

Each occupied mobilehome space in Alimur Mobilehome Park is entitled to one vote in this survey. Accordingly, the enclosed ballot is being provided to your household to cast its vote in either support of or opposition to the proposed conversion. **IN ORDER FOR YOUR VOTE TO BE COUNTED, AT LEAST ONE ADULT RESIDENT OF YOUR SPACE OR AUTHORIZED LEGAL REPRESENTATIVE OR AGENT MUST SIGN IN ONE OF THE SIGNATURE SPACES.** Although there are two signature spaces at the end of this survey, only one is needed to cast a vote for each space. Please fill out your enclosed ballot and return it in the enclosed envelope that contains your space number written on its outside. Your ballot must be postmarked by October ____, 2007 to be included in the final survey results.

Your vote is important and both your resident homeowners association and the park owner strongly urge you to cast your written ballot in this survey either in support of or in opposition to the proposed conversion to resident ownership. For more information you may wish to contact both of the following for an explanation of their views on the conversion and its impact on you:

Resident homeowners' association representative:
Angela Dysle - 831-479-9935, 4300 Soquel Drive #212

Park owner representative:
Susy Forbath - (310) 393-4000 x. 255

SURVEY

The effect of a change of the method of ownership from a rental park to a resident owned condominium park, as proposed, provides a choice to the resident households: If the conversion is approved, Residents may purchase their condominium interest or may continue to rent the lot [space + condominium interest] on which their mobilehome is located.

For purchasing residents, the price of the lot [space] will not be set until after the proposed conversion has been approved by County, but PRIOR to application to the California Department of Real Estate for issuance of the public report. This means that each resident will receive the appraised price of their lot [space] approximately six to nine months prior to being asked to make a decision as to whether or not they wish to purchase.

If the conversion is approved by such regulatory agencies, any future purchaser of your mobilehome will be required to purchase the lot [space] at a price that will be determined by the park owner as part of the regulatory approval process.

For non-purchasing residents, the space rent for their lots will no longer be covered by the

This Survey does not constitute an offer to sell a condominium unit or any other real estate interest in Alimur Mobile Home Park. An offer to sell can only be made after the issuance and delivery of the Final Public Report along with all statutorily required documents, including, without limitation, the HOA Budget, the Purchase/Sale Agreement, the HOA Articles & Bylaws, and the Declaration of Conditions, Covenants & Restrictions (CC&Rs).

BY PROVIDING THE INFORMATION REQUESTED IN THIS SURVEY, YOU ARE NOT COMMITTING YOURSELF TO ANY DECISION WITH RESPECT TO THE CHANGE IN OWNERSHIP, INCLUDING, WITHOUT LIMITATION, WHETHER YOU WANT TO RENT OR TO PURCHASE IF THERE IS A CHANGE IN THE FORM OF OWNERSHIP OF ALIMUR MOBILEHOME PARK.

Alimur Mobilehome Park Survey of Residents
California Government Code § 66427.5(d)(1) - Page 1 of 2

EXHIBIT

"Mobilehome Rent Adjustment Ordinance" of Santa Cruz County (Santa Cruz Municipal Code §13.32 *et seq.*) Instead, future rent charges will be determined depending upon the financial condition of each individual non-purchasing resident as follows:

1. For Households That Are Not Lower Income. As to the non-purchasing residents who are non lower income households, as defined in §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, after which time the park owner(s) would be allowed to raise the rent to any level they choose; and

2. For Households That Are Lower Income. As to non-purchasing resident who are lower income* households, as defined in §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 nonevent 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.

*2007 Lower Income limits for Santa Cruz County: 1 person=\$44,350 per year; 2 persons=\$50,700 per year; 3 persons=\$57,000 per year; 4 persons=\$63,350 per year; 5 persons=\$68,400 per year.

Pursuant to *California Gov't Code section 66427.5(d)(1)*, please check one box below:

1. ☐ I/we support the current proposed conversion of the park to a resident owned condominium subdivision.
2. ☐ I/we do not support the current proposed conversion of the park to a resident owned condominium subdivision.

BALLOT MUST BE SIGNED BY AT LEAST ONE PERSON IN ORDER TO BE COUNTED.

Date: _____

Date: _____

Signature: _____

Signature: _____

Print Name: _____

Print Name: _____

Space No.: _____

Space: _____

Day Telephone: _____

Day Telephone: _____

S:\DAtty\Clients\Litigation&AdmHearings\LegalAssist\Housing\Mobilehome\SCounty\RentC-Adm\Alimur-Conversion\ResidentSurvey01e.ProposedByResidents.wpd

This Survey does not constitute an offer to sell a condominium unit or any other real estate interest in Alimur Mobile Home Park. An offer to sell can only be made after the issuance and delivery of the Final Public Report along with all statutorily required documents, including, without limitation, the HOA Budget, the Purchase/Sale Agreement, the HOA Articles & Bylaws, and the Declaration of Conditions, Covenants & Restrictions (CC&Rs).

BY PROVIDING THE INFORMATION REQUESTED IN THIS SURVEY, YOU ARE NOT COMMITTING YOURSELF TO ANY DECISION WITH RESPECT TO THE CHANGE IN OWNERSHIP, INCLUDING, WITHOUT LIMITATION, WHETHER YOU WANT TO RENT OR TO PURCHASE IF THERE IS A CHANGE IN THE FORM OF OWNERSHIP OF ALIMUR MOBILEHOME PARK.



WAIS Document Retrieval

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 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.

Assembly Bill No. 930

CHAPTER 1143

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

[Approved by Governor September 30, 2002. Filed with Secretary of State September 30, 2002.]

LEGISLATIVE COUNSEL'S DIGEST

AB 930, Keeley. Mobilehome parks: conversion to resident ownership.

Existing law requires a subdivider, 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, to avoid the economic displacement of nonpurchasing residents by limiting the amount of rent increases, as specified. The subdivider is required to offer each existing tenant the option to purchase his or her condominium unit and is subject to a hearing on the matter, the scope of which is limited to the issue of compliance with these provisions.

This bill would require the subdivider to obtain a survey of support of residents of the mobilehome park for the proposed conversion pursuant to a written ballot, to be conducted as specified, with results to be submitted to the local agency upon filing of the tentative or parcel map, and considered as part of the hearing.

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 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.

SEC. 2. 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 Palm Springs, Ltd. 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 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.

SEC. 3. The changes in law enacted by this act shall not apply to any application for parcel map approval for conversion of a rental mobilehome park to resident ownership approved by the local agency under Section 66427.5 of the Government Code prior to January 1, 2003.

LAW OFFICES OF
SENIOR CITIZENS LEGAL SERVICES
SERVICIOS LEGALES PARA PERSONAS DE MAYOR EDAD

Website: www.seniorlegal.org

Please reply to Santa Cruz Main Office at 501 Soquel Avenue, Suite F, Santa Cruz, CA 95062

Phone: 831.426.8824 Fax: 831.426.3345

September 23, 2009

Honorable Albert Aramburu, Chair
Santa Cruz County Planning Commission
701 Ocean Street, Suite 400
Santa Cruz, CA 95060

Re: Alimur Mobile Home Park
Application Number: 07-0310
Application to Convert Mobilehome Park
Applicant: Sid Goldstien
Owner: Paul Goldstone
Hearing Date: October 14, 2009 at 9:00 am
Request for Continuance Because of Unavailability of Counsel

Dear Mr. Aramburu and Other Members of the Commission:

I am writing to request that the Commission continue the hearing in this matter from October 14, 2009 to either October 21, 2009 or to October 28, 2009. I will not be available on October 14, 2009 and no other attorney in my office is sufficiently familiar with this case to be able to replace me at a hearing.

I represent the homeowners of Alimur Mobile Home Park (Park) in this matter. On February 25, 2009, the Commission heard this case and recommended that the permit be denied. Subsequently, the Board of Supervisors heard the matter and also voted unanimously to deny the application. The denial was based on Santa Cruz County Municipal Code §14.08. Section 14.08 was intended to implement the governing state statute, Government Code §66427.5.

On July 6, 2009, the Applicant filed an action for Writ of Mandate, Santa Cruz County Superior Court Case No. CV 164458. On August 29, 2009, the California First Appellate District Court of Appeal issued an opinion that struck down a Sonoma County ordinance that governs applications for mobilehome park conversion permits in that county. In response, the Santa Cruz County Board of Supervisors decided to repeal §14.08. Since the Commission and Board decisions were based on §14.08, it is now necessary to re-hear the matter and make a new decision based on §66427.5.

EXHIBIT G

Branch Office in Watsonville: 114 E. Fifth Street, Watsonville, CA 95077 Phone: 831.728.4711
Branch Office in Hollister: 300 West Street, Hollister, CA 95023 Phone: 831.637.5458

- 338 -

SCLS is funded by the Seniors Council of Santa Cruz and San Benito Counties, the County of Santa Cruz, the County of San Benito, the City of Capitola, the City of Hollister, the City of Santa Cruz, the City of Scotts Valley, the City of Watsonville and the California Bar Association

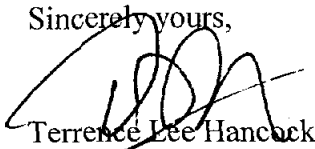
Letter to Honorable Albert Aramburu
September 23, 2009 - Page 2

Unfortunately, I learned yesterday that the Planning Commission hearing had been scheduled for Wednesday, October 14, 2009. I am leaving with my wife on a long-scheduled vacation to Hawaii on Tuesday October 6, 2009 and we will not be returning to California until Saturday, Saturday, October 17, 2009.

I respectfully request that the hearing be continued until either October 21, 2009 or October 28, 2009 when I will be able to appear and represent my clients.

Thank you for your consideration of my request. Please feel free to contact me if you have any questions about the issues raised in this letter.

Sincerely yours,



Terrence Lee Hancock
Directing Attorney
terryhancock@seniorlegal.org

By mail and by email to: Thomas Casparian at: tcasparian@gilchristrutter.com
Rahn Garcia at: csl021@co.santa-cruz.ca.us
Alice Daly at: Alice.Daly@co.santa-cruz.ca.us
Paia Levine at: paia.levine@co.santa-cruz.ca.us
Albert Aramburu at: basque16@comcast.net

S:\DAttyClients\Litigation&AdmHearings\LegalAssist\Housing\Mobilehome\SCounty\RentC-Adm\Alimur-Conversion\PlanningCommission\Aramburu03.LtrReContinuance.wpd

EXHIBIT G

Additions to the Staff Report for the Planning Commission

Item 7: 07-0310

Late Correspondence

LAW OFFICES
GILCHRIST & RUTTER
PROFESSIONAL CORPORATION

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October 12, 2009

VIA FEDEX

Chairperson Albert Aramburu
Commissioner Steve Kennedy
Commissioner Rachael Dann
Commissioner Gustavo Gonzalez
Commissioner Renee Shepherd
Santa Cruz County Planning Commission
Planning Department, 4th Floor
701 Ocean Street
Santa Cruz, CA 95060

Re: Application No. 07-0310 to Convert the Existing Alimur Mobilehome Park From a
Rental-Only Park To Resident Ownership – Planning Commission's Meeting:
Wednesday, October 14, 2009 "Hearing"

Dear Chairperson Aramburu and Commissioners Kennedy, Dann, Gonzalez, and Shepherd:

We represent the owners of Alimur Mobilehome Park ("Alimur"), a mobilehome park (the "Park") located within the County of Santa Cruz. As you are aware, Alimur submitted an application (the "Application") for a tentative tract map to convert its Park from a rental park to a resident-owned park, pursuant to the Subdivision Map Act, Government Code section 66427.5 (the "Conversion"). The Application was denied by the County Board of Supervisors ("Board") at hearing on April 21, 2009. However, the Board recently attempted to rescind its denial and instructed the Planning Commission to rehear the matter.

First, due to our unavailability, Terry Hancock, counsel to the Alimur Homeowners Association ("HOA") and I have made a joint request to continue the Hearing until December 9, 2009, which we have been informed is the next hearing date of the Planning Commission after October 28, 2009. We are informed that it would be "highly unusual" for the Planning Commission to proceed with the hearing this week in light of the joint request from the Applicant and counsel for the HOA.

In the event the Planning Commission refuses this joint request, please consider this letter my formal request to enter into evidence all written evidence and all testimony presented to the Planning Commission on February 25, 2009 and to the Board on April 21, 2009.

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Further, please be advised that contrary to representations made previously, rehearing the Application under the same mistaken legal advice and/or without benefit of direction by the Court, is not the action that has been requested by the Applicant.

First, as we noted in our letter to the Board dated September 14, 2009, the Board's improper attempt to rescind its denial of the Application and to "reconsider" the Application under the very same legal standard as applied previously is improper and is **not** what we had requested. That this is County's intent is obvious. During the Hearing, Chief Deputy County Counsel Rahn Garcia explicitly stated that rehearing the Application under Government Code section 66427.5, as opposed to Chapter 14.08 of the County Code, "would not change our approach in evaluating a conversion in the sense that the outstanding question as to whether state law authorizes [the Board] to apply the...wishes of the mobilehome park residents when deciding an application. That doesn't change our analysis that [the Board is] **authorized to make use of that information**, that evidence, when deciding on an application, but it eliminates this outstanding legal question as to whether [the Board is] preempted under state law from enacting local regulations in addition to the state statute." (Hearing at 00:43:26 (Emphasis added).) Supervisor Stone also confirmed that the Board would "relook at the Alimur case under the state law, the state statute, which we had felt we had essentially implemented in our ordinance. **So we'll get a fresh look at it but through really similar ways.**" (Hearing at 00:44:28 (Emphasis added).)

However, our Verified Petition for Writ of Administrative Mandate in the above-entitled case ("Petition") requests that the Board vacate, set aside, and/or repeal its decision to deny the Application because, pursuant to Government Code section 66427.5, **the Board cannot consider the level of resident support for the proposed conversion of our client's mobilehome park from a rental-only park to a resident-owned park** ("Conversion"). In fact, our Petition clearly states that "[s]tate law dictates that County approve the Application as it met the requirements of Section 66427.5." (Petition at p. 12.) This is a crucial distinction between our requested relief and County's improper attempt to rescind its denial of the Application and "reconsider" the Application under the very same legal standard as applied previously rather than approve the Application as required under state law, and thus seek to avoid or delay legal review by the Courts.

Second, as we advised the Board in our September 14, 2009 letter, "[u]nless authorized by statute, an administrative agency acting in an adjudicatory capacity...may not in any event reconsider or reopen a decision." (*Gutierrez v. Board of Retirement*, 62 Cal. App. 4th 745, 749 fn. 3 (1998); see also *Helene Curtis, Inc. v. Los Angeles County Assessment Appeals Boards*, 121 Cal. App. 4th 29, 30-40 (2004).) County cannot rescind the denial of the Application unless it establishes that the decision to deny the Application exceeded the Board's jurisdiction under Section 66427.5, which mandates that the County approve the Application immediately. (*Id.*) Yet, the Board never discussed this prohibition, nor did it make the necessary finding that it

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exceeded its jurisdiction under Section 66427.5 when it denied the Application based on lack of resident support. To the contrary, during the Hearing, Mr. Garcia and members of the Board clearly maintained that it was within County's authority to consider the level of resident support in reviewing the Application, even in light of the Court of Appeal's decision in *Sequoia Park Associates v. County of Sonoma*, 176 Cal.App.4th 1270 (2009) ("*Sequoia*"). Accordingly, the Board's attempt to rescind its denial and "reconsider" the Application under the very same legal standard as applied previously is invalid and improper. Because County has already taken final action on the Application by denying it at Hearing and a Petition for Writ of Mandate has been filed, jurisdiction over the matter is now in the Court.

Third, we note that County's contention that it can deny a Conversion application for lack of resident support under Section 66427.5 is simply incorrect and that the Court of Appeal directly addressed this issue in *Sequoia*. Mr. Garcia's claim that "notwithstanding the finding in the *Sequoia* case that the ordinance was preempted, significantly that decision did not address or make any finding of laws of law with regards to the question, the relevant question, under the state statute and our regulations as to whether the local agency can consider the results of a resident survey when deciding whether to approve an application for conversion" is erroneous and misinterprets *Sequoia*. (Hearing at 00:39:49.) This is the issue to be decided by the Petition and Motion for Writ.

Contrary to Mr. Garcia's interpretation, the *Sequoia* court explicitly recognized that requiring that a Conversion be bona-fide and/or supported by residents is forbidden under state law. For example, the *Sequoia* court explained that Section 66427.5 "spells out certain steps that must be completed before the conversion application can be approved by the appropriate local body." (176 Cal.App.4th at 1274.) These steps include conducting and submitting "a survey of tenant support for the conversion." (*Id.* at 1296.) However, Section 66427.5 clearly does not contain any requirement regarding the outcome of the Survey. Moreover, the *Sequoia* court states:

A local ordinance is impliedly preempted **if it mandates what state law forbids...Yet the [Sonoma] Ordinance directs** that the application shall be approved "only if the decision maker finds that," **in addition to satisfying the survey and tenant impact report requirements imposed by section 66427.5 ... the proposed conversion "is a bona fide resident conversion"** as measured against the percentage-based presumptions established by the Ordinance. (*Id.* at 1299 (emphasis added).)

As stated above, the *Sequoia* court clearly found that "satisfying the survey...requirement[]" imposed by section 66427.5" does not require a finding that "the proposed conversion 'is a bona

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fide resident conversion' as measured against the percentage-based presumptions..." (Id.) Rather, it simply requires that the Survey be conducted and submitted.

The County has already held several hours of hearing public testimony. In fact, at the April 21, 2009 hearing on the Application, 18 residents testified regarding their support or opposition to the Conversion and regarding the conduct and results of the resident survey pursuant to Section 66427.5(d). Attorneys for the resident homeowners' association and for the Applicant argued extensively regarding whether Section 66427.5 permitted denial on the basis of the survey results or not, and not merely whether the local Ordinance did or did not. Even more residents were present and spoke at the February 25, 2009 Planning Commission hearing on the Application. Any claim that further public hearing must be held, without the benefit of the Court's review of the prior decision, is simply another attempt to avoid and delay Court review and to frustrate and delay the Conversion.

During the Hearing, Mr. Garcia suggested that by rescinding its denial and rehearing the Application, the Board would provide an "opportunity for parties both the residents of the park and park owners to submit additional evidence bearing on this question of whether it constitutes a bona-fide resident conversion." (Hearing at 00:44:56) He further claimed that it was "a way of expediting the process and having the pertaining legal issues resolved." (Hearing at 00:45:11) These statements are disingenuous however as there is no new evidence and, moreover, Mr. Garcia has admitted County will apply the same analysis and reach the same conclusion.¹ Accordingly, the same issues will be before the Court after another round of unnecessary and repetitive hearings.

Indeed, County's proposal to have the Planning Commission, and later the Board, rehear the Application, and open up the Application for more public testimony and new evidence **where there is no new evidence** is "a waste of time, money, and judicial resources," especially since County has clearly signaled that it will apply the same legal analysis and reach the same conclusion to deny the Application. Indeed, we are perplexed by Mr. Garcia's statement that rehearing the Application is "a way of expediting the process and having the pertaining legal issues resolved" (Hearing at 00:45:11) where the pertinent legal issue – whether County can consider the level of resident support in approving a Conversion application – has already been resolved by the *Sequoia* court. Nevertheless, County continues to maintain it has authority to

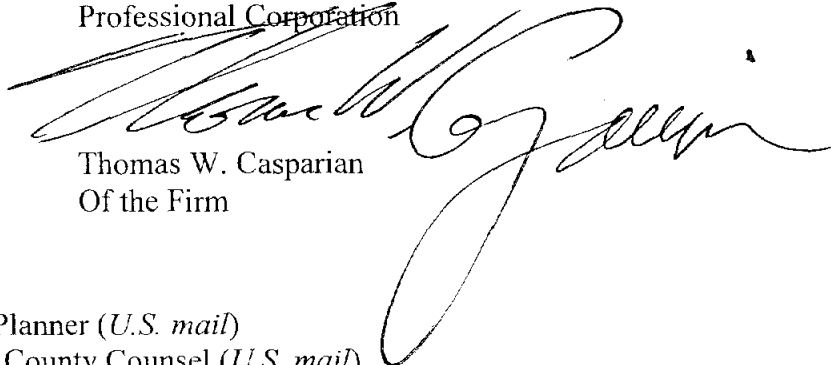
¹ For example despite the fact that our client has demonstrated a bona-fide intent to offer the subdivided units to the residents for purchase by, among other things, offering to the residents very favorable incentives to facilitate and promote unit purchases by the residents and protection for non-purchasing residents from high rent increases, including a 15% discount off of the appraised fair market value of the units, 20% owner financing at below-market rates, and extending Section 66427.5's rent protection for low-income residents to moderate-income residents as well, County has failed and refused to acknowledge the fact that the Conversion is bona-fide, which according to the Court of Appeal, simply means that the park owner has evidenced a good faith intent to sell lots to park residents. (See *El Dorado Palm Springs Ltd. v. City of Palm Springs*, 96 Cal.App.4th 1153, 1165 (2002); *Donohue v. Santa Paula West Mobile Home Park*, 47 Cal.App.4th 1168 (1996); *Sequoia*, 176 Cal. App. 4th at 1285-87, 1296-97.)

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deny the Application based on the level of resident support. Rehearing the Application, where County has indicated it will apply the same analysis and reach the same conclusion, and where there is no new evidence, is undoubtedly "a waste of time, money, and judicial resources."

Sincerely,

GILCHRIST & RUTTER
Professional Corporation

A large, stylized handwritten signature in black ink, likely belonging to Thomas W. Casparian, is written over the typed name and title.

Thomas W. Casparian
Of the Firm

TWC:ja/195239_1.DOC/101209
4653.001

cc: Alice Daly, Development Review Planner (*U.S. mail*)
Rahn Garcia, Esq., Chief Assistant County Counsel (*U.S. mail*)
Terrence Lee Hancock, Esq. (*U.S. mail*)

October 7, 2009
Alimur Park
4300 Soquel Dr. #63
Soquel, CA 95073

Alice Daly
County of Santa Cruz
Planning Department
701 Ocean Street, 4th Floor
Santa Cruz, CA 95060

Re: Conversion of Alimur Park

Dear Ms. Daly,

I am very much against the proposed conversion of Alimur Park by the park owner.

I'm a 57 year old single lady, and since my only brother died of cancer in 2004, I am virtually on my own in this area, except for my widowed sister-in-law and close friends.

Moving to Alimur Park from another county in 2000, I believed my dreams had been answered and even with my meager income, my future and investment in my little home was safe and secure. I thought I was here to stay, which may not be true after all.

I resent the fact that someone came into town with multitudes of money, their only real desire being to make money, taking from us "little people," upsetting our small lives, and altering our futures in order to get richer himself.

Please do not let him mislead you. This is not a "Robin Hood" story, where the conversion would be mutually beneficial to all, as he repeatedly reports. Rather, it's a way for him to eliminate rent control while stuffing his already full pockets at the expense of the financially less fortunate. Our equities, and for some, our only investment would be reduced to virtually nothing.

Again, I am against any such conversion of Alimur Park for it would alter and ruin so many lives. Santa Cruz County has always had a place for everyone. Please don't let our little corners of the world be taken from us. Help us keep our small security and peace of mind.

In appreciation,

Malinda M. Love
Malinda M. Love

October 8, 2009
4300 Soquel Drive #69
Soquel, CA 95073

Alice Daly
SCC Planning Commission
701 Ocean St., 4th Floor
Santa Cruz, CA 95060

Dear Ms. Daly:

Upon moving to Alimur Park 9 years ago, I was so happy to finally own my own little home. I have invested quite a lot into my "little nest" and was looking forward to my retirement and security in the near future. Now, however, all my dreams may be shattered.

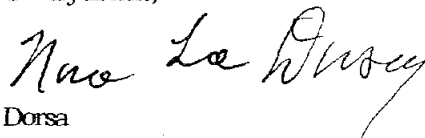
Unlike before Mr. Goldstone became the owner, our park no longer has the security and peace of mind it once had. He has failed to maintain the park and its high standard, causing the rather antiquated condition it's in at present.

Because of his extreme reluctance to spend funds to maintain and his unwavering neglect of this once beautiful park, I find it impossible to believe that his plan for park conversion would benefit all of the residents as much as to himself. Rather, it's his way of getting around rent control and transferring our investment in our own homes directly into his own pockets.

If he accomplishes this, homeowners in the park will have very little equity and investment left. Moreover, if he accomplishes this, most park owners in the county will follow suit and affordable housing will disappear. The strain and emotional distress to all of us is thusly overwhelming.

Everything I have worked hard for my whole life is at stake. Please don't let this park owner succeed with his plan: so many lives are involved.

Thanks so very much,


Noralee Dorsa

From: PLN AgendaMail
Sent: Tuesday, October 13, 2009 7:05 AM
To: PLN AgendaMail
Subject: Agenda Comments

Meeting Type : Planning Commission

Meeting Date : 10/14/2009

Item Number : 7.00

Name : cathy bartlett

Email : girlquacker@yahoo.com

Address : 4300 soquel dr # 50
Soquel, CA 95073

Phone : 831-476-9615

Comments :

I will not be able to make the planning department meeting on October, 14th 2009
I urge you to deny the Alimur Park Conversion-
I have lived in the park for over 20 years.
I'm a county employee- and this conversion would be devasting for me.
Thank you for your time & consideration--

10-12-09

Dear Alice Daly's planning commission,
I will be out of town for
the meeting on 10-14-09 but I
would like to ask you to please,
please do not approve Paul
Goldstone's application for the
conversion of Alimur Park.

Thank you,

Donna Sarkis
#33

10/3/09

County of Santa Cruz Planning Commission
County Government Center
701 Ocean Street
Santa Cruz, CA 95060

Re: Application 07-0310
Item 7, Board of Supervisors Meeting 10/14/09

To whom it may concern:

I cannot comprehend the greediness of Paul Goldstone. Airspace? Does he mean that we will not even own our lot? And how much does he expect to charge for this "air"?

The residents of Alimur Mobile Home Park are not using their mobile homes as vacation homes. The residents consist of the elderly, disabled, single parents and low-income families.

Mr. Goldstone's greed is one example of how the economy has reached the point it is at. With 147 units in the park, his yearly rental income, based on \$320 per unit, is approximately \$565,000.00. Half a million per year. If we were to offer to buy the park at \$80,000.00 per unit, he would make \$11,760,000.00 on the park. Even if we were to raise the price to \$100,000.00 per unit, he would make 14,700,000. But no -- he wants us to buy our airspace at an unknown price, and maintain control of the park.

When the condo conversion was presented, 119 residents voted against the conversion. Only 2 voted for it. And the claim of coercion is simply a farce. Let us just buy the park from Mr. Goldstone. We want nothing more to do with him or his management.

This park was in shambles until Mr. Goldstone started bringing it up to code for his own gain. And there are still many problems with the park. Especially concerning the electrical and sewer infrastructure.

This proposal is a sham. Please do not allow Mr. Goldstone to drive us further into poverty. It is reminding me of the outdated lord/serfdom state of affairs.

Thank you for your consideration of my opinions.



Laura Rodriguez
4300 Soquel Dr. Spc #1
Soquel, CA 95073