



October 12, 2015

Sent Via Email to City Manager and City Clerk and Personally Delivered at Council Meeting

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Vickie Talley

Mayor Denise Hoyt
Members of the City Council
City of Yucaipa
34272 Yucaipa Boulevard
Yucaipa, CA 92399**RE: City Council Agenda Item 14**

Honorable Mayor Hoyt and Members of the City Council:

MHET, Manufactured Housing Educational Trust, is a non-profit organization representing mobile home park owners in Orange, Riverside and San Bernardino Counties, including representation of Yucaipa mobile home park owners. We have participated in meetings with City staff to discuss ways to encourage the redevelopment of certain mobile home parks in the city and were told that a "study session" would be scheduled with the Council. However, it has come to my attention that the park owners were not notified by the City of the meeting/study session being held this evening. When we became aware of the study session on Friday, October 9, we made every effort to contact the park owners, but not all of the over 40 mobile home park owners are aware this meeting is happening. For that reason, **we respectfully request that this item be continued to the next regularly scheduled meeting to provide time to contact all stakeholders to participate in this process.**

In addition to comments made by my colleague, MHET Inland Empire Representative Peter Herzog, who will be present at the meeting, I would like to go on record with the following comments and recommendations in addition to our request to continue the item. First, we are very clear on the City Council's goal to encourage the redevelopment of certain trailer/mobile home parks in the city. We support any park owner who wants to redevelop their property. Our recommendations focus on how to best accomplish this goal and are based on years of experience in closing mobile home parks.

1. **Do everything possible to incentivize the redevelopment by removing obstacles such as restrictive zoning and cumbersome regulations. This includes the staff recommendation to remove parks from the Mobile Home Park Overlay Zoning, which restricts the use of the property for mobile home park use.**

2. **Do not adopt regulations that result in more time and cost to change the zoning/land use of existing mobile home parks.** This will result in discouraging redevelopment by making it prohibitively expensive. Existing state law provides specific guidelines for closure of mobile home parks. Many parks in several cities have closed successfully under these State guidelines. The proposed guidelines for a city ordinance will cause unintended consequences and will result in exactly the opposite of the City Council's stated goals of encouraging redevelopment.

- **Do not limit the relocation to 25 miles** – This is an unreasonable restriction that hurts both the mobile home owner who is being relocated as well and the property owner. If a mobile home owner wants to relocate 100 miles to another park, or private property, those options should be made available and the relocation paid for by the park owner.

- Do not include payment of in-place value for the mobile home if the home cannot be relocated to a park within 25 miles the mobile home owner wants to move to. This restriction alone will kill any mobile home park closures because it makes the cost to close the park prohibitive. The reason for this is because of the City's rent control ordinance. Because of the rent control ordinance, rents in Yucaipa mobile home parks are very low and are significantly below market. As a result, when a mobile home or trailer sells in a Yucaipa mobile home park, the purchaser pays an inflated purchase price for the trailer because of its location with low rent. 1960's mobile homes and trailers that have little to no value, are selling for thousands of dollars because they can be sold "in-place" and take advantage of the low rent. The value of the land has been transferred to the tenant because of rent control. This is an unconstitutional taking of property value that will be compounded by such a regulation, but more importantly, it will kill any park closures.

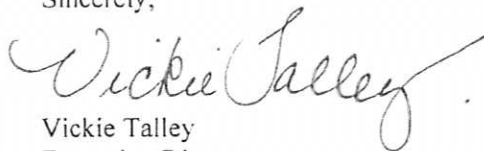
In support of our position that paying in-place value and requiring excessive relocation costs makes park closures financially unfeasible is the April 2015 Mobile Home Park Reuse Report prepared by RSG for the City. The report clearly states on page 8 that, "Each Reuse Scenario assumes that all current mobile homes would be acquired from their respective owners at \$8,000 per home, a rate that assumes substantial depreciated value on the improvements." The \$8,000 figure is NOT IN PLACE VALUE. In place value could be much, much higher. The RSG report further states that, "The City would require (or the park owner would voluntarily pay) a relocation benefit of \$1,500 per unit to cover moving costs." The City has paid for this independent professional advice, which specifically limits the amount to be paid in order make a closure feasible.

3. If there are no unreasonable restrictions to park closures in place and, if the City favors redevelopment, then when the economy is right, redevelopment will take place. The best incentive is a City that is supportive of making redevelopment happen with the least amount of regulations and time restrictions.

In conclusion, current State law protects the displaced residents and requires that "reasonable relocation benefits be paid". No other regulations need to be adopted.

Thank you for considering our recommendations. We look forward to working with you and the property owners who have parks in prime redevelopment areas.

Sincerely,



Vickie Talley
Executive Director

cc: Ray Casey, City Manager
Jennifer Shankland, Deputy City Manager/City Clerk
Yucaipa Mobile Home Park Owners