

CITY OF ATASCADERO CITY COUNCIL

AGENDA

Tuesday, March 10, 2020

City Hall Council Chambers, 4th floor 6500 Palma Avenue, Atascadero, California (Entrance on Lewis Ave.)

City Council Regular Session:

6:00 P.M.

REGULAR SESSION - CALL TO ORDER: 6:00 P.M.

PLEDGE OF ALLEGIANCE: Council Member Fonzi

ROLL CALL: Mayor Moreno

Mayor Pro Tem Bourbeau Council Member Fonzi Council Member Funk Council Member Newsom

APPROVAL OF AGENDA: Roll Call

Recommendation: Council:

- 1. Approve this agenda; and
- 2. Waive the reading in full of all ordinances appearing on this agenda, and the titles of the ordinances will be read aloud by the City Clerk at the first reading, after the motion and before the City Council votes.

PRESENTATIONS: None.

- A. CONSENT CALENDAR: (All items on the consent calendar are considered to be routine and non-controversial by City staff and will be approved by one motion if no member of the Council or public wishes to comment or ask questions. If comment or discussion is desired by anyone, the item will be removed from the Consent Calendar and will be considered in the listed sequence with an opportunity for any member of the public to address the Council concerning the item before action is taken.)
 - 1. City Council Draft Action Minutes February 25, 2020
 - <u>Recommendation</u>: Council approve the February 25, 2020 Draft City Council Meeting Minutes. [City Clerk]

2. Subrecipient Agreement with San Luis Obispo Regional Transit Authority

- <u>Fiscal Impact</u>: The City receives approximately \$200,000 annually in FTA 5307 Program funds.
- Recommendation: Council approve Draft Resolution approving a Subrecipient Agreement with the San Luis Obispo Regional Transit Authority (RTA) to receive pass-through Federal Transit Administration (FTA) funding for FTA Section 5307 and 5339 Programs for Atascadero Transit services. [Public Works]

3. Approve Final Map for Tract 3147 - Bosque Court

- Fiscal Impact: None
- Recommendation: Council adopt Draft Resolution approving the Final Map for Tract 3147. [Public Works]

UPDATES FROM THE CITY MANAGER: (The City Manager will give an oral report on any current issues of concern to the City Council.)

COMMUNITY FORUM: (This portion of the meeting is reserved for persons wanting to address the Council on any matter not on this agenda and over which the Council has jurisdiction. Speakers are limited to three minutes. Please state your name for the record before making your presentation. Comments made during Community Forum will not be a subject of discussion. A maximum of 30 minutes will be allowed for Community Forum, unless changed by the Council. Any members of the public who have questions or need information may contact the City Clerk's Office, between the hours of 8:30 a.m. and 5:00 p.m. at (805) 470-3400, or cityclerk@atascadero.org.)

B. CITY COUNCIL AD HOC COMMITTEE REPORT:

1. Mobile Home Rent Stabilization

- Fiscal Impact: None.
- Recommendation: Council discuss the ad hoc Committee report and consider actions. [ad hoc Committee]

C. PUBLIC HEARINGS:

1. 2020 Community Development Block Grant Funding Recommendations

- Fiscal Impact: \$164,833.00.
- Recommendation: Council review and approve funding recommendations for the 2020 Community Development Block Grant (CDBG) as detailed in the staff report and authorize staff to adjust final award amounts proportionately upon receipt of the final funding amount. [Public Works]

D. MANAGEMENT REPORTS:

1. Del Rio Road/US 101 Interchange Traffic Sensitivity Analysis

- <u>Fiscal Impact</u>: Abandoning the roundabout design for the Del Rio Road/US 101 Interchange and El Camino Real intersection in favor of Mitigation 2 improvements would result in substantial net savings.
- Recommendations: Council:
 - 1. Receive and file Draft Traffic Sensitivity Analysis for the Del Rio Road Interchange Report.
 - 2. Abandon work on the roundabout design for the Del Rio Road Interchange Project.
 - 3. Direct staff to amend the current agreement with Wallace Group to pursue alternative interchange improvements and prepare a plan line for the Del Rio Road/US 101 Interchange and Del Rio/El Camino Real Corridor that incorporate adding a westbound right-turn lane on Del Rio Road to northbound US 101 ramp, signal modifications, and lane reconfigurations on El Camino Real.
 - Direct staff to investigate a plan line for a second phase to Del Rio/US 101 interchange improvements associated with bridge widening to determine future land acquisition needs.
 - 5. Direct staff to draft amendments to the Del Rio Specific Plan to accommodate Del Rio Road/US 101 Interchange and Del Rio Road/El Camino Real Corridor plan line setbacks, refined land uses, and a refined Master Plan of Development. [Public Works]

2. SLO Countywide Regional Compact

- Fiscal Impact: None.
- Recommendation: Council adopt Draft Resolution approving and authorizing the Mayor to sign the San Luis Obispo Countywide Regional Compact. [City Manager]
- E. COUNCIL ANNOUNCEMENTS AND COMMITTEE REPORTS: (On their own initiative, Council Members may make a brief announcement or a brief report on their own activities. The following represent standing committees. Informative status reports will be given, as felt necessary):

Mayor Moreno

- 1. City Selection Committee
- 2. County Mayors Round Table
- 3. Economic Vitality Corporation, Board of Directors (EVC)
- 4. SLO Council of Governments (SLOCOG)
- 5. SLO Regional Transit Authority (RTA)

Mayor Pro Tem Bourbeau

- 1. City / Schools Committee
- 2. City of Atascadero Finance Committee
- 3. Integrated Waste Management Authority (IWMA)
- 4. SLO County Water Resources Advisory Committee (WRAC)

Council Member Fonzi

- 1. Air Pollution Control District
- 2. Atascadero Basin Ground Water Sustainability Agency (GSA)
- 3. City of Atascadero Design Review Committee
- 4. SLO Local Agency Formation Commission (LAFCo)

Council Member Funk

- 1. City of Atascadero Finance Committee
- 2. Homeless Services Oversight Council
- 3. League of California Cities Council Liaison

Council Member Newsom

- 1. California Joint Powers Insurance Authority (CJPIA) Board
- 2. City / Schools Committee
- 3. City of Atascadero Design Review Committee
- 4. Visit SLO CAL Advisory Committee
- F. INDIVIDUAL DETERMINATION AND / OR ACTION: (Council Members may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda. The Council may take action on items listed on the Agenda.)
 - 1. City Council
 - 2. City Clerk
 - 3. City Treasurer
 - 4. City Attorney
 - 5. City Manager

G. ADJOURN

Please note: Should anyone challenge any proposed development entitlement listed on this Agenda in court, that person may be limited to raising those issues addressed at the public hearing described in this notice, or in written correspondence delivered to the City Council at or prior to this public hearing. Correspondence submitted at this public hearing will be distributed to the Council and available for review in the City Clerk's office.

City of Atascadero

WELCOME TO THE ATASCADERO CITY COUNCIL MEETING

The City Council meets in regular session on the second and fourth Tuesday of each month at 6:00 p.m. Council meetings will be held at the City Hall Council Chambers, 6500 Palma Avenue, Atascadero. Matters are considered by the Council in the order of the printed Agenda. Regular Council meetings are televised live, audio recorded and videotaped for future playback. Charter Communication customers may view the meetings on Charter Cable Channel 20 or via the City's website at www.atascadero.org. Meetings are also broadcast on radio station KPRL AM 1230. Contact the City Clerk for more information at cityclerk@atascadero.org or (805) 470-3400.

Copies of the staff reports or other documentation relating to each item of business referred to on the Agenda are on file in the office of the City Clerk and are available for public inspection during City Hall business hours at the Front Counter of City Hall, 6500 Palma Avenue, Atascadero, and on our website, www.atascadero.org. Contracts, Resolutions and Ordinances will be allocated a number once they are approved by the City Council. The minutes of this meeting will reflect these numbers. All documents submitted by the public during Council meetings that are either read into the record or referred to in their statement will be noted in the minutes and available for review in the City Clerk's office.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in a City meeting or other services offered by this City, please contact the City Manager's Office or the City Clerk's Office, both at (805) 470-3400. Notification at least 48 hours prior to the meeting or time when services are needed will assist the City staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service.

TO SPEAK ON SUBJECTS NOT LISTED ON THE AGENDA

Under Agenda item, "COMMUNITY FORUM", the Mayor will call for anyone from the audience having business with the Council to approach the lectern and be recognized.

- 1. Give your name for the record (not required)
- State the nature of your business.
 All comments are limited to 3 minutes.
- 4. All comments should be made to the Mayor and Council.
- 5. No person shall be permitted to make slanderous, profane or negative personal remarks concerning any other individual, absent or present

This is the time items not on the Agenda may be brought to the Council's attention. A maximum of 30 minutes will be allowed for Community Forum (unless changed by the Council). If you wish to use a computer presentation to support your comments, you must notify the City Clerk's office at least 24 hours prior to the meeting. Digital presentations must be brought to the meeting on a USB drive or CD. You are required to submit to the City Clerk a printed copy of your presentation for the record. Please check in with the City Clerk before the meeting begins to announce your presence and turn in the printed copy.

TO SPEAK ON AGENDA ITEMS (from Title 2, Chapter 1 of the Atascadero Municipal Code)

Members of the audience may speak on any item on the agenda. The Mayor will identify the subject, staff will give their report, and the Council will ask questions of staff. The Mayor will announce when the public comment period is open and will request anyone interested to address the Council regarding the matter being considered to step up to the lectern. If you wish to speak for, against or comment in any way:

- 1. You must approach the lectern and be recognized by the Mayor
- 2. Give your name (not required)
- 3. Make your statement
- 4. All comments should be made to the Mayor and Council
- 5. No person shall be permitted to make slanderous, profane or negative personal remarks concerning any other individual, absent or present
- 6. All comments limited to 3 minutes

The Mayor will announce when the public comment period is closed, and thereafter, no further public comments will be heard by the Council.

ITEM NUMBER: DATE: A-1 03/10/20



CITY OF ATASCADERO CITY COUNCIL

DRAFT MINUTES

Tuesday, February 25, 2020

City Hall Council Chambers, 4th floor 6500 Palma Avenue, Atascadero, California (Entrance on Lewis Ave.)

City Council Regular Session:

6:00 P.M.

REGULAR SESSION - CALL TO ORDER: 6:00 P.M.

Mayor Moreno called the meeting to order at 6:00 p.m. and Council Member Funk led the Pledge of Allegiance.

ROLL CALL:

Present: Council Members Fonzi, Funk, Newsom, Mayor Pro Tem Bourbeau and

Mayor Moreno

Absent: None

Staff Present: City Manager Rachelle Rickard, Public Works Director Nick DeBar,

Police Lieutenant Jason Carr, Community Development Director Phil Dunsmore, Fire Chief Casey Bryson, City Attorney Brian Pierik, Deputy City Manager/City Clerk Lara Christensen, and Deputy City Manager

Terrie Banish

APPROVAL OF AGENDA:

MOTION: By Council member Newsom and seconded by Mayor Pro Tem Bourbeau to:

- 1. Approve this agenda; and,
- 2. Waive the reading in full of all ordinances appearing on this agenda, and the titles of the ordinances will be read aloud by the City Clerk at the first reading, after the motion and before the City Council votes.

Motion passed 5:0 by a roll-call vote.

ITEM NUMBER: A-1 DATE: 03/10/20

PRESENTATIONS: None.

A. CONSENT CALENDAR:

1. City Council Draft Action Minutes – February 11, 2020

 Recommendation: Council approve the February 11, 2020 Draft City Council Meeting Minutes. [City Clerk]

2. January 2020 Accounts Payable and Payroll

- Fiscal Impact: \$2,413,272.11
- Recommendation: Council approve certified City accounts payable, payroll and payroll vendor checks for January 2020. [Administrative Services]

3. <u>December 2019 Investment Report</u>

- Fiscal Impact: None
- Recommendation: Council receive and file the City Treasurer's report for quarter ending December 31, 2019. [Administrative Services]

4. <u>Amendment to 2019-2020 Salary Schedule to include Office Assistant II</u> Classification and Approval of Minor Staffing Adjustment

- <u>Fiscal Impact</u>: The proposed changes will have a fiscal impact of approximately \$4,200 annually.
- Recommendations: Council:
 - 1. Effective July 1, 2019, amend the Salary Schedule for Fiscal Year 2019-2020 to include the Office Assistant II position as follows:

CLASSIFICATION	STEP A	STEP B	STEP C	STEP D	STEP E
Office Assistant II	\$3,145.85	\$3,303.14	\$3,468.30	\$3,641.72	\$3,823.81

- 2. Authorize City Manager to execute a Side Letter with the SEIU MOU adding Office Assistant II at the salary range shown above.
- 3. Concur with Office Assistant staffing adjustment as recommended by the City Manager. [City Manager]

MOTION: By Council Member Fonzi and seconded by Council Member Funk to approve the Consent Calendar. (#A-4: Contract No. 2018-013-A3)

Motion passed 5:0 by a roll-call vote.

UPDATES FROM THE CITY MANAGER:

City Manager Rachelle Rickard gave an update on projects and issues within the City.

COMMUNITY FORUM:

The following citizens spoke during Community Forum: Geoff Auslen and Jackie Kinsey (Exhibit A)

Mayor Moreno closed the COMMUNITY FORUM period.

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B. PUBLIC HEARINGS: None.

C. MANAGEMENT REPORTS:

1. <u>Proposed First Amended Marketing Agreement With Cliff Branch and James Smith for Billboards and First Amendment to Ground Lease</u>

- <u>Fiscal Impact</u>: The fiscal impact will be approximately \$4,200 a year in budgeted funds for lease and maintenance costs for the City's Billboard Face; and an estimated \$1,000 for printing and installation every time the City chooses to change its billboard.
- Recommendation: Council approve Proposed First Amended Marketing Agreement with Cliff Branch and James Smith for Billboards and First Amendment to Ground Lease. [City Attorney]

City Attorney Pierik gave the staff report and answered questions from the Council. City Manager Rickard and Deputy City Manager Banish also answered questions from Council.

PUBLIC COMMENT:

The following citizens spoke on this item: Geoff Auslen,

Mayor Moreno closed the Public Comment period.

MOTION: By Council Member Funk and seconded by Council Member Fonzi to approve Proposed First Amended Marketing Agreement with Cliff Branch and James Smith for Billboards and First Amendment to Ground Lease. (Contract No. RA002-2010-A1)

Motion passed 5:0 by a roll-call vote.

D. COUNCIL ANNOUNCEMENTS AND COMMITTEE REPORTS:

The following Council Members made brief announcements and gave brief update reports on their committees since their last Council meeting:

Mayor Moreno

1. County Mayors Round Table

Mayor Pro Tem Bourbeau

1. Mobile Home Rent Stabilization Ordinance ad hoc Committee

Council Member Fonzi

1. SLO Local Agency Formation Commission (LAFCo)

Council Member Funk

- 1. Homeless Services Oversight Council
- 2. League of California Cities Council Liaison

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E. INDIVIDUAL DETERMINATION AND / OR ACTION: None.

F. ADJOURN

Mayor Moreno adjourned the meeting at 6:46 p.m.

MINUTES PREPARED BY:

Lara K. Christensen Deputy City Manager / City Clerk

APPROVED:

The following exhibit is available for review in the City Clerk's office:

• Exhibit A - Atascadero Library event cards



Atascadero City Council

Staff Report - Public Works

Subrecipient Agreement with San Luis Obispo Regional Transit Authority

RECOMMENDATION:

Council approve Draft Resolution approving a Subrecipient Agreement with the San Luis Obispo Regional Transit Authority (RTA) to receive pass-through Federal Transit Administration (FTA) funding for FTA Section 5307 and 5339 Programs for Atascadero Transit services.

DISCUSSION:

<u>Background</u>

Atascadero Transit, known as Dial-A-Ride (DAR), has been providing transportation service to the residents of Atascadero since the City's incorporation in 1979. The service is a curb-to-curb, demand response public transit system serving disabled and mobility-impaired individuals, seniors and the general public. The Atascadero DAR fleet is comprised of four Ford F450 18 passenger buses equipped with wheelchair lifts, bike racks and GPS/dispatching tablets. Three buses are in service Monday through Friday with one bus serving as a backup.

Atascadero DAR services are eligible and funded through Federal Transit Administration (FTA) grant programs comprised of FTA Section 5307 Urbanized Area formula Funding Program (5307 Program) and FTA Section 5339 Bus and Bus Facilities Program (5339 Program). Operational costs are funded by the 5307 Program while capital bus and bus-related purchases are funded by the 5339 Program. Atascadero Transit grant fund requests are solicited and implemented by San Luis Obispo Regional Transit Authority (RTA), which is the lead transit agency for our metropolitan planning region (SLOCOG). As the lead transit agency receiving FTA funding, RTA is required to comply with the Federal regulations and other requirements of the FTA funds. In turn, RTA is responsible to ensure that all subrecipients also comply with these regulations and requirements, including annually reporting and periodic audits of the subrecipients.

Analysis

In October 2019, FTA performed a Triennial Review of RTA for compliance with FTA regulations and identified three areas of deficiencies. One of these deficiencies was related to FTA requirements for written agreements for pass-through entities. RTA currently uses a Memorandum of Understanding (MOU) as a subrecipient agreement for FTA program funds, but the MOU lacks many of the required elements for FTA

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requirements. A written Subrecipient Agreement was developed in collaboration with RTA and City staff and is inclusive of the FTA requirements listed in the 2019 Triennial Review. The agreement recognizes RTA as the lead transit agency and Atascadero Transit as the subrecipient for FTA 5307 and 5339 Program Funds. The Subrecipient Agreement is included with the Draft Resolution and includes Project (Program) Summary and Scope of Work (Exhibit A), Project Management and Payment Provisions (Exhibit B), General Terms and Conditions (Exhibit C), and Special Terms and Conditions (Exhibit D).

The City of Atascadero benefits from FTA capital and operating assistance funding and these federal funds will be withheld from Atascadero Transit should the City fail to enter into the Subrecipient Agreement with RTA. FTA funds are vital to assure that Atascadero Transit Dial-A-Ride will continue to provide alternative transportation for residents; therefore staff recommends Council adopt the Draft Resolution approving the Subrecipient Agreement and authorizing the City Manager to execute the agreement. The Agreement will be renewed each fiscal year. The Draft Resolution authorizes the City Manager to sign the current agreement and the future annual agreements.

ALTERNATIVE:

Council may suggest modifications to the proposed agreement, but caution should be used since the agreement includes FTA requirements listed in the Draft 2019 Triennial Review that must be included to receive FTA Program Funds. Any significant changes will require approval from FTA and RTA and could delay FTA funding.

FISCAL IMPACT:

The City receives approximately \$200,000 annually in FTA 5307 Program funds.

ATTACHMENT:

Draft Resolution

ITEM NUMBER: A-2
DATE: 03/10/20
ATTACHMENT: 1

DRAFT RESOLUTION

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ATASCADERO, CALIFORNIA, APPROVING A SUBRECIPIENT AGREEMENT WITH THE SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY (RTA) TO RECEIVE PASSTHROUGH FEDERAL TRANSIT ADMINISTRATION (FTA) FUNDING FOR FTA SECTION 5307 AND 5339 PROGRAMS FOR ATASCADERO TRANSIT SERVICES

WHEREAS, the City of Atascadero operates Atascadero Transit (Dial-A-Ride) that provides a curb-to-curb, demand response public transit system serving disabled and mobility-impaired individuals, seniors and the general public; and

WHEREAS, Atascadero Transit services are eligible and principally funded by Federal Transit Administration Funding (FTA) Section 5307 and 5339 Programs that provide for Atascadero Transit Services; and

WHEREAS, Atascadero Transit receives pass-through funding from the San Luis Obispo Regional Transit Authority (RTA), which is the lead transit agency for the San Luis Obispo metropolitan planning region (SLOCOG), and required to comply with the FTA regulations and requirements; and

WHEREAS, in 2019, FTA performed a Triennial Review of RTA compliance with FTA Programs and identified a deficiency of written agreements for pass-through funding between RTA and Atascadero Transit; and

WHEREAS, a Subrecipient Agreement between RTA and Atascadero Transit has been prepared to allow San Luis Obispo RTA to receive and pass-through FTA funding for FTA Section 5307 and 5339 Programs to Atascadero Transit Services.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Atascadero:

- **SECTION 1.** That the recitals set forth hereinabove are true, correct and valid.
- **SECTION 2.** That the City Council hereby approves the Subrecipent Agreement between RTA and Atascadero Transit that has been prepared to allow San Luis Obispo RTA to receive pass-through funding for FTA Section 5307 and 5339 Programs to Atascadero Transit Services marked "Exhibit A" attached hereto and incorporated herein by this reference.
- **SECTION 3.** That the City Manager is authorized to execute the Subrecipient Agreement with San Luis Obispo Regional Transit Authority (RTA) for FY2019/20 and renewals in subsequent fiscal years.

SECTION 4. This Resolution is approved by at least a two-thirds vote of said Council.

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ATTACHMENT: 1

PASSED AND ADOPTED at a regula of, 2020.	r meeting of the City Council held on the day
	and seconded by Council Member by adopted in its entirety on the following roll call vote
AYES: NOES: ABSENT: ABSTAIN:	
	CITY OF ATASCADERO
	Heather Moreno, Mayor
ATTEST:	
Lara K. Christensen, City Clerk	
APPROVED AS TO FORM:	
Brian Pierik, City Attorney	

ITEM NUMBER: A-2 DATE: 03/10/20 ATTACHMENT: 1A

Exhibit A



179 Cross Street, Suite A San Luis Obispo, CA 93401 (805) 781-4472 Fax (805) 781-1291 www.slorta.org

SUBRECIPIENT AGREEMENT INSTRUCTIONS

Attached is the Subrecipient Agreement between your organization and the San Luis Obispo Regional Transit Authority (RTA). Please review the Subrecipient Agreement carefully, including all of the Exhibits. If any of the terms, conditions, dates and/or schedules set forth in the Subrecipient Agreement are not acceptable, notify the Grants and Finance Manager to discuss if changes to the Subrecipient Agreement are possible.

To proceed with the Subrecipient Agreement, please print and sign two paper copies of the Subrecipient Agreement's signature page. The person signing the Agreement must be so authorized in a resolution from your agency's governing body. Each signature page must be signed in blue ink with an original, wet-ink signature. Return both of the signed pages to the RTA at the following addresses.

San Luis Obispo Regional Transit Authority Attn: Grants and Finance Manager 179 Cross Street, Suite A San Luis Obispo, CA 93401-7597

Upon execution by the Executive Director of the RTA, you will be notified that your agency may proceed with the approved project in accordance with all of the terms and conditions of the Subrecipient Agreement.

One hardcopy of the fully-executed Subrecipient Agreement with wet signatures will be returned for your records.

If the project subject to this Subrecipient Agreement requires a procurement process, that process cannot proceed until the procurement solicitation documents and process have been reviewed and approved in writing by the RTA.

Requests for Reimbursement (RFR) shall not be submitted to the RTA before this Subrecipient Agreement has been approved and signed by the RTA and, if applicable, the RTA has approved the procurement documentation.

ITEM NUMBER: A-2 DATE: 03/10/20 ATTACHMENT: 1A

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY (RTA) **SUBRECIPIENT AGREEMENT**(09/19/2019)

AGREEMENT NUMBER	AMENDMENT NUMBER
7.0	7

1. This Subrecipient Agreement is entered into between the San Luis Obispo Regional Transit Authority (RTA) and the Subrecipient named below:

LEAD TRANSIT AGENCY NAME: SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY (RTA)

SUBRECIPIENT NAME: CITY OF ATASCADERO

2. The term of this Agreement is:

FROM: July 1, 2019 TO: June 30, 2020

3. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of the Agreement.

Exhibit A - Project Summary and Scope of Work

Exhibit B - Project Management and Payment Provisions

Exhibit C - General Terms and Conditions

Exhibit D - Special Terms and Conditions

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

SUBRECIPIENT	For SLORTA Use only	
SUBRECIPIENT NAME (if other than an individual, state whether a corporation, partnership, etc.) City of Atascadero		
SUBRECIPIENT DUINS # 120959952		
BY (Authorized Signature in Blue ink)	DATE SIGNED	
PRINTED NAME AND TITLE OF PERSON SIGNING Nicholas D. DeBar, PE Director of Public W	orks	
ADDRESS 6500 Palma Avenue, Atascadero CA 93422		
LEAD TRANSIT AGENCY		
AGENCY NAME	LEAD AGENCY DUNS #	
San Luis Obispo Regional Transit Authority	125137096	
BY (Authorized Signature in Blue ink)		
Geoff Straw, RTA Executive Director		
ADDRESS	·	
179 Cross Street, Suite A, San Luis Obispo, CA 93401-7597		

Agreement No.	FAIN #	FTA Category	Fund	Program	า	
	CA-2020-	FTA Sections 5307	OP	FY2020	Operating Assistance	
Current Encumbran	re \$					
Prior Encumbrance		Project Name			Agreement Amount	FY
Total Encumbrance	\$	FY 2020 Operating Ass	FY 2020 Operating Assistance – City of Atascadero		\$	FY2020
			,		<u> </u>	
SIGNATURE OF GRANTS AND FINNA	ANCE MANAGER (Authorized Signature in Blue	ink)	DATE SIGNED			

ITEM NUMBER: A-2 DATE: 03/10/20 ATTACHMENT: 1A

Subrecipient Name: City of Atascadero Agreement No. _____

EXHIBIT A

PROJECT SUMMARY AND SCOPE OF WORK

Funding Program: Section 5307

Project Type: Operating Assistance (OP)

Hours when PROJECT shall operate: Start: 7:30 AM End: 3:30 PM

Days/Dates when PROJECT shall operate: Monday - Friday

Location where Service shall be offered: City of Atascadero

Detailed Description of Work:

FTA Section 5307 Atascadero Operating Assistance FY 2019/20 from the Atascadero/El Paso de Robles UZA. Atascadero Transit operates demand response services through its Dial-A-Ride services. For the fiscal year ending June 30, 2020 (7/1/2019-6/30/2020), the City of Atascadero will claim the federal portion of its total transit costs for fiscal year FY 19/20 in an amount not-to-exceed \$201,000. Details to this grant will be pinned in TrAMs. The funds for these projects are included in the San Luis Obispo Council of Governments (SLOCOG) 2019 Transportation Improvement Program (TIP) and was approved on September 15, 2018. The California Department of Transportation and the US Department of Transportation formally approved the TIP submitted on November 2, 2018 and December 15, 2018 respectively.

Contract Projects:

	•			
CFDA#				
(5-digit)				

ALI	Project	Federal	Local	Toll	Total	Fed	Local
Code	Description	Share \$	Share \$	Credits	Cost	Share %	Share %

Contract Schedules:

Project Schedule: Procurement Schedule:

Project Start: July 1, 2019

Bid Package/RTA Review

Project End: June 30, 2020

Issue RFP/IFB

Last Date to

Avairable 1, 2020

Final Palison (Install)

Amend Agreement: June 01, 2020 Final Delivery/Install
Final Invoice Due: Sept. 30, 2020

SLO RTA Contact: Grants and Finance Manager

 Contact Name
 Email Address
 Phone Number

 Melissa C. Mudgett
 mmudgett@slorta.org
 (805) 781-4467

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DATE: 03/10/20
ATTACHMENT: 1A

Subrecipient Name: City of Atascadero Agreement No.

EXHIBIT B

PROJECT MANAGEMENT AND PAYMENT PROVISIONS

- 1. The San Luis Obispo Regional Transit Authority (hereafter called the RTA) is the lead transit agency authorized to evaluate and submit to the Federal Transit Administration (hereafter called FTA) grant requests from eligible program Subrecipient for eligible program purposes. The FTA receives its authority from Chapter 53 of Title 49 of the United States Codes (USC). The RTA participates in a number of federal programs, which are identified in 49 USC Chapter 53.
 - A. FTA Section 5307 Urbanized Area formula Funding Program (5307 Program). The 5307 Program (49 U.S.C. 5307) makes federal resources available to urbanized areas and to governors for transit capital and operating assistance in urbanized areas and for transportation-related planning. The federal share is not to exceed 80 percent of the net project cost for capital expenditures. The federal share may be 90 percent for the cost of vehicle-related equipment attributable to compliance with the Americans with Disabilities Act and the Clean Air Act. The federal share may not exceed 50 percent of the net project cost of operating assistance. FTA Circular 9030.1E "Urbanized Area Formula Program: Program Guidance and Application Instructions", dated January 16, 2014 (5307 Circular).
 - B. **FTA Section 5339 Bus and Bus Facilities Program (5339 Program).** The purpose of the 5339 Program is to fund to eligible agencies the purchase of capital bus and bus-related projects that support the continuation and expansion of public transportation services. FTA Circular 5100.1 "Bus and Bus Facilities Formula Program: Guidance and Application Instructions, dated May 18, 2015, (5339 Circular).
- 2. This Subrecipient Agreement is governed by numerous policies and guidance documents issued by the FTA, which is incorporated herein and shall include:
 - A. FTA Circular 4220.1F, "Third-Party Contracting Guidance," November 1, 2008, (Third-Party Contracting Circular) and any later revision thereto.
 - B. FTA Circular 4702.1B "Title VI Requirements and Guidelines for Federal Transit Administration Recipients", dated October 1, 2012, (Title VI Circular) and any later revision thereto.
 - C. FTA Circular 5010.1D, "Grant Management Requirements" dated November 1, 2008, and revised August 27, 2012, (Grant Management Circular) and any later revision thereto.
 - D. FTA Project and Construction Management Guidelines, as updated July 2011, (Project and Construction Management Guidelines), an advisory handbook published by USDOT.
 - E. Fiscal Year 2017 Annual List of Certifications and Assurances for FTA Grants and Cooperative Agreements, as published December 20, 2016.
 - F. Veterans Employment as provided by 49 U.S.C. § 5325, U.S. Code Title 49 Contract Requirements for Veteran Preference for Capital Projects, as defined in section 2108 of title 5.
- 3. The SUBRECIPIENT has been designated by the RTA as eligible under 49 USC Chapter 53 Section 5307 and 5339. The SUBRECIPIENT is proposing transportation services (hereafter called the PROJECT) that are eligible for assistance under the applicable Section of 49 USC Chapter 53.
- 4. The SUBRECIPIENT agreement for Federal funding (under 49 USC Chapter 53) has been determined by the RTA as having met all the statutory and administrative requirements for PROJECT approval. The purpose of this Subrecipient Agreement is to implement the approved PROJECT.

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- 5. The SUBRECIPIENT agrees to provide transportation services that meet the specific requirements and intent of the applicable Program described in 49 USC Chapter 53, which is providing the funding for this PROJECT.
- 6. The SUBRECIPIENT agrees to complete the defined PROJECT described, and all term and conditions of the Subrecipient Agreement.
- 7. Transportation services under this Subrecipient Agreement shall be provided for a minimum of 20 hours per week.
- 8. It is the parties' intention that grant funds will be available for timely expenditure, commencing with the fiscal year when this Subrecipient Agreement is executed. The SUBRECIPIENT's obligations under this Subrecipient Agreement shall remain in effect until the PROJECT is completed under the terms of this Subrecipient Agreement. Upon closeout of this Subrecipient Agreement, no further invoices shall be paid to SUBRECIPIENT.
- 9. Invoices may be submitted no more frequently than once per month for the PROJECT.
- 10. The full PROJECT invoice, showing both Federal Share and Local Share, shall be submitted by SUBRECIPIENT to the RTA for review and approval prior to payment. The RTA shall verify PROJECT costs and payments made by the SUBRECIPIENT to ensure that funding shares are reported accurately for award of federal grants.
- 11. Invoices shall meet all the requirements of this Subrecipient Agreement, be itemized in a manner consistent with the budget for PROJECT found in the PROJECT description, and be submitted to the RTA. Appropriate backup documentation to support all PROJECT costs to be reimbursed shall be included. Appropriate Request for Reimbursement (RFR) documents may include, but are not limited to, purchase orders, signed invoices for materials, supplies and equipment, and for travel describing the purpose of travel as it pertains to the PROJECT, classifications of employees performing PROJECT work, hourly rates, and identification of work to be reimbursed for the payment period (if applicable), and contractor costs itemized similarly to those of the SUBRECIPIENT. SUBRECIPIENT certification that goods or services purchased have been received and accepted shall accompany the invoice. Proof of payment made to the vendor/contractor or a copy of the method of payment must be submitted by the SUBRECIPIENT. Proof of payment includes bank statements or cancelled checks showing check number and "Paid in Full" or SUBRECIPIENT accounting records showing the transaction.
- 12. The SUBRECIPIENT invoices and the vendor/contractor's invoices shall be consistent internally and with any purchase order applicable to the PROJECT and shall include a breakdown of equipment unit costs, sales tax, registration fees, and any other items procured with said purchase orders, including items and costs not reimbursable under this PROJECT and any items not subject to sales tax. The latter includes "items and materials when used to modify a vehicle for physically handicapped persons", which are exempt from sales tax under Revenue and Taxation Code Section 6369.4.
- 13. Only work performed or goods or services received that fall on or between the Performance Period dates in this Subrecipient Agreement are eligible for reimbursement. Invoices shall show dates of work, services or receipt of goods.

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14. Eligibility for reimbursement of costs for the PROJECT shall be determined as follows.

A. For Public Agencies and Commercial Organizations, the net PROJECT cost and allowable individual items of PROJECT cost shall be determined in conformance with Code of Federal Regulations (CFR) 48, Federal Acquisition Regulations (FAR) Chapter 1 Part 31 "Contract Cost Principles and Procedures", 2 CFR Part 225 (formerly Office of Management and Budgets (OMB) Circular A-87) "Cost Principles for State, Local, and Indian Tribal Governments", FAR Chapter 1 Subpart 31.2, "Contracts with Commercial Organizations," and other applicable regulations, circulars, or memoranda that may be issued by FTA.

15. Direct and Indirect Costs.

The SUBRECIPIENT shall comply with 2 CFR Part 225 or 2 CFR Part 230 (including the application of the de minimis rate per §200.414 Indirect (F&A) costs), as applicable, and certifies that all direct costs (and indirect costs, if permitted) billed are allowable. All direct costs, even for PROJECT administration activities must be adequately supported with proper documentation. Indirect costs must be supported by an approved Cost Allocation Plan (CAP).

- 16. Payment for services satisfactorily provided, work satisfactorily performed or goods received under this Subrecipient Agreement shall be made on a reimbursement basis and in arrears only for actual eligible costs.
- 17. Incomplete or disputed invoices shall be returned to SUBRECIPIENT, unpaid. Corrected invoices must be resubmitted to the RTA prior to the payment of the invoice or RFR.
- 18. Upon the RTA's review and acceptance of an undisputed invoice by the RTA, the RTA agrees to reimburse the SUBRECIPIENT for eligible costs. Reimbursement will be made at the rate of Federal Share percentage shown in Exhibit A, up to the total amount of Federal Share.
- 19. Final invoice shall be submitted to the RTA no later than sixty (60) days after the expiration of this Subrecipient Agreement. In no case, shall a final invoice be submitted after the date specified in Exhibit A.
- 20. The parties agree that only the following section(s) of Exhibit B that have a mark ("X") opposite to the transportation services category (hereafter called the PROJECT) shall apply to this Subrecipient Agreement.

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A. Assistance and Transit Capital in Urbanized Areas (5307)

- 1. Operating assistance costs eligible for reimbursement under this Agreement are costs directly related to system operations and may include fuel, oil, salaries and fringe benefits for drivers, dispatchers, maintenance employees, mechanics and administrative staff whose duties are directly related to this PROJECT, and licenses.
- The SUBRECIPIENT's scope of work shall be as described in Exhibit A of this Subrecipient Agreement.
- 3. The SUBRECIPIENT's geographic area that will be served by the transportation program shall be as described in Exhibit A.
- 4. The SUBRECIPIENT agrees to operate the equipment funded and made available through the PROJECT within the service area as described in Exhibit A.
- 5. The SUBRECIPIENT shall use the PROJECT equipment at all times exclusively and in conformity with the Project Scope of Work in Exhibit A and the Project Description and Justification for Funding Request (Attached to this Agreement).
- 6. The PROJECT period for which transit operational expenses or transit capital costs are eligible for reimbursement under this Subrecipient Agreement is the Performance Period as specified in Exhibit A.
- 7. The RTA's obligation to compensate the SUBRECIPIENT under the terms of this Subrecipient Agreement shall terminate upon payment of SUBRECIPIENT's invoice(s) for the FTA allowable portions of PROJECT costs. Reimbursements will only be allowed after the execution of this Subrecipient Agreement and for the performance period of this Subrecipient Agreement as specified in Exhibit A.
- 8. The SUBRECIPIENT agrees to report in accordance with 49 U.S. Code 5325 regulations for "Veterans Employment for Federal Award Capital Projects". To the extent practicable, SUBRECIPIENT agrees to and shall assure its contactors: 1. Will give a hiring preference to veterans (as defined in 5 U.S.C. § 2108), who have the skills and abilities required to perform construction work required under a third party contract in connection with a capital project supported with funds made available or appropriated for 49 U.S.C. chapter 53, and 2. Will not require an employer to give a preference to any veteran over any equally qualified applicant who is a member of any racial or ethnic minority, female, an individual with a disability, or a former employee.
- 9. The RTA will be the lien interest in the PROJECT until the end of the PROJECT's Useful Life as shown in Exhibit C is reached and the RTA has received and approved from the SUBRECIPIENT to release its interest in the PROJECT. The RTA's lien interest shall survive this Subrecipient Agreement and the SUBRECIPIENT shall be responsible for using the PROJECT in compliance with state, federal and applicable program requirements stared herein, including reporting.
- 10. Prior to disposition or transfer of SUBRECIPIENT federally funded vehicles and equipment shall receive written approval by the RTA.

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11. If the PROJECT includes capital costs of contracting, allowable expenses may include depreciation and interest on facilities and equipment, as well as other capital costs such as preventive maintenance. Under the capital cost of contracting, only privately-owned assets are eligible.

Detailed information regarding the capital cost of contracting is available in the 5307 Circular.

- 12. Preventive Maintenance activities consist of routine revenue and non-revenue vehicle inspection and maintenance for bus operations including: inspecting revenue vehicle components on a scheduled preventive maintenance basis (e.g., engine and transmission, fuel system, ignition system, chassis, body-exterior and interior, electrical system, lubrication system, trolleys, pantographs and third rail shoes, trucks, braking system, air-conditioning system); performing minor repairs to the above-listed revenue vehicle components; changing lubrication fluids; replacing minor repairable units of the above-listed revenue vehicle components; making road calls to service revenue vehicle breakdowns; towing and shifting revenue vehicles to maintenance facilities; rebuilding and overhauling repairable components; performing major repairs on revenue vehicles on a scheduled or unscheduled basis.
- 13. The SUBRECIPIENT agrees to report in its transit asset management (TAM) plan accordance with 49 CFR part 625. The SUBRECIPIENT agrees to set performance targets annually that contain inventory and condition assessment. The SUBRECIPIENT agrees to participate in the RTA's group TAM Plan and provide the RTA with its annual fleet inventory.
- 14. The SUBRECIPIENT agrees to report in accordance with FTA regulations for "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards," 2 CFR part 200. The SUBRECIPIENT shall submit quarterly milestone progress reports (MPR) to the RTA within twenty (20) days following the close of the quarter. The RTA may withhold payment for the failure of the SUBRECIPIENT to submit these reports to the RTA in a timely manner.
- 15. The SUBRECIPIENT agrees to address areas of non-compliance, problems, delays, or adverse conditions may affect the SUBRECIPIENT's ability to achieve the objectives of the Subrecipient Agreement within the scheduled performance period. The MPR shall include actions taken and/or contemplated to resolve the situation.
- 16. The SUBRECIPIENT shall keep federally funded vehicles, equipment, facilities, and Americans with Disabilities (ADA) accessibility features in good operating condition. The SUBRECIPIENT shall provide to the RTA a written Maintenance Plan which shall include maintenance records, preventative maintenance and warranty claims system (including a list of vehicles/equipment currently under warranty) for all federally funded assets (including vehicles, facilities, equipment wheelchair lifts and other accessibility features.

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В.	Capital Pro	iect (Vehic	le/Eaui	pment)	(5339)
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- 1. The SUBRECIPIENT's scope of work shall be as described in Exhibit A
- 2. New projects for equipment or new vehicles shall not be designated as "used" by the Federal Trade Commission Agency 16 CFR Part 455.1(d)(2) or California Vehicle Code Section 100-680 application for federal assistance, which is on file with the STATE.
- 3. The SUBRECIPIENT agrees to operate the equipment funded and made available through the PROJECT within the service area as described in Exhibit A.
- 4. The SUBRECIPIENT shall use the PROJECT equipment at all times exclusively and in conformity with the Project Scope of Work in Exhibit A and the Project Description and Justification for Funding Request (Attached to this Agreement).
- 5. The SUBRECIPIENT agrees to report in accordance with 49 U.S. Code 5325 regulations for "Veterans Employment for Federal Award Capital Projects". To the extent practicable, SUBRECIPIENT agrees to and shall assure its contactors: 1. Will give a hiring preference to veterans (as defined in 5 U.S.C. § 2108), who have the skills and abilities required to perform construction work required under a third party contract in connection with a capital project supported with funds made available or appropriated for 49 U.S.C. chapter 53, and 2. Will not require an employer to give a preference to any veteran over any equally qualified applicant who is a member of any racial or ethnic minority, female, an individual with a disability, or a former employee.
- 6. The RTA's obligation to compensate the SUBRECIPIENT under the terms of this Subrecipient Agreement shall terminate upon payment of SUBRECIPIENT's invoice(s) for the FTA allowable portions of PROJECT costs. Reimbursements will only be allowed after the execution of this Subrecipient Agreement and for the performance period of this Subrecipient Agreement as specified in Exhibit A.
- 7. The RTA holds a lien interest in the PROJECT until the end of the PROJECT's Useful Life as shown in Exhibit C is reached and the RTA has received and approved from the SUBRECIPIENT to release its interest in the PROJECT. The RTA's lien interest shall survive this Subrecipient Agreement and the SUBRECIPIENT shall be responsible for using the PROJECT in compliance with state, federal and applicable program requirements stared herein, including reporting.
- 8. Disposition or transfer of SUBRECIPIENT federally funded vehicles and equipment shall receive prior written approval by the RTA.
- 9. If the PROJECT includes capital costs of contracting, allowable expenses may include depreciation and interest on facilities and equipment, as well as other capital costs such as preventive maintenance. Under the capital cost of contracting, only privately-owned assets are eligible.

 Detailed information regarding the capital cost of contracting is available in the 5339 Circular.

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10. The SUBRECIPIENT shall keep federally funded vehicles, equipment, facilities, and Americans with Disabilities (ADA) accessibility features in good operating condition. The SUBRECIPIENT shall provide to the RTA a written Maintenance Plan which shall include maintenance records, preventative maintenance and warranty claims system (including a list of vehicles/equipment currently under warranty) for all federally funded assets (including vehicles, facilities, equipment wheelchair lifts and other accessibility features.

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Subrecipient Name: City of Atascadero Agreement No.

EXHIBIT C GENERAL TERMS AND CONDITIONS

- 1. <u>Subrecipient</u>. For the purpose of this Agreement, the SUBRECIPIENT is as referenced in the Federal Transportation Funding Law and the applicable Program Circular. As a receiver of FTA funds the SUBRECIPIENT agrees to comply with the federal statutes, regulations, executive orders, directives and administrative requirements which relate to funding received from FTA.
- 2. <u>Budget.</u> The SUBRECIPIENT agrees that it will provide funds in an amount sufficient, together with the grant, to assure payment of those actual total net PROJECT costs. The funds provided shall include sufficient funds from other eligible sources to provide the PROJECT local matching requirements in accordance with Federal Transportation Funding Law.

3. Prompt Payment.

- A. All payments by the RTA to the SUBRECIPIENT shall be made in accordance with California Government Code (GC), Chapter 4.5, commencing with Section 927, which is known as the California Prompt Payment Act.
- B. The SUBRECIPIENT must pay third-party contractors within thirty (30) days of receipt of undisputed invoice(s)

4. Approval.

- A. Except as provided herein, this Subrecipient Agreement is of no force or effect until signed by both parties.
- B. Commencement of work shall not be authorized until federal authorization has been obtained and upon the RTA's approval.
- C. It is mutually understood between the parties that this Subrecipient Agreement, for the mutual benefit of both parties.
- D. This Subrecipient Agreement is valid and enforceable only if sufficient funds are made available to the RTA by the State and/or United States Government or the California State Legislature for the purpose of this program. It is mutually agreed that if the Congress or the State Legislature does not appropriate sufficient funds for the program, this Subrecipient Agreement shall be amended to reflect any reduction in funds.
- E. State Law. This Agreement shall be interpreted according to the laws of the State of California, except as to those provisions where federal law shall apply; as to those provisions where federal law applies, the rules, regulations, statutes and executive orders of the federal government shall be applicable.
- F. No issuance of a Subrecipient Agreement or amendments will be provided until proof that the project has been programmed and approved by the federal government.
- 5. <u>Enforcement/Remedies for Non-Compliance</u>. If a SUBRECIPIENT materially fails to comply with any term of this Subrecipient Agreement, the RTA may take one or more of the following actions:
 - A. Disallow or temporarily withhold cash payments pending correction of the deficiency by the SUBRECIPIENT.
 - B. Wholly or partially suspend or terminate the current award for the SUBRECIPIENT'S PROJECT.
 - C. Withhold future awards to the SUBRECIPIENT for the program.
 - D. Withhold or demand a transfer of an amount equal to the amount paid by or owed from remaining grant balance and/or future apportionments, or any other funds due SUBRECIPIENT.
 - E. Take any other remedies that may be legally available.

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- 6. <u>Timeliness</u>. Time is of the essence in this Subrecipient Agreement. The SUBRECIPIENT shall return the signed Agreement to the RTA within 60 calendar days prior to the start of the performance period. In the event this Subrecipient Agreement is not signed and returned within 60 days of the start of the performance period, the PROJECT identified in Exhibit A of this Subrecipient Agreement may be withdrawn and cancelled at the discretion of the RTA.
- 7. <u>Amendment</u>. No amendment or alteration of the terms of this Subrecipient Agreement shall be valid unless submitted in writing, signed by the parties and approved as required. This Subrecipient Agreement may be amended in writing, by mutual consent of the parties, on a case-by-case basis where warranted. The request for an Amendment must be made in writing to the RTA Executive Director at least two months before the Subrecipient Agreement Expiration Date shown in Exhibit A.
- 8. No Oral Understanding or Agreement. No oral understanding or agreement not incorporated in this Subrecipient Agreement is binding on any of the parties.
- 9. <u>Assignment</u>. This Subrecipient Agreement is not assignable by the SUBRECIPIENT, either in whole or in part.
- 10. <u>Independent Contractor</u>. The SUBRECIPIENT, and the agents and employees of the SUBRECIPIENT, in the performance of this Subrecipient Agreement, shall act in an independent capacity and not as officers or employees or agents of the RTA.
- 11. <u>Buy America</u>. The SUBRECIPIENT shall comply with the Buy America requirements of 49 USC Section 5323(j) and 49 CFR Part 661 for all procurements of steel, iron and manufactured products used in PROJECT. Buy America requirements apply to all purchases, including materials and supplies funded as operating costs, if the purchase exceeds the threshold for small purchases (currently \$150,000). Separate requirements for rolling stock are set out at 49 USC Section 5323(j)(2)(c) and 49 CFR Part 661.11.
- 12. Accounting Records. The SUBRECIPIENT shall establish and maintain separate accounting records and reporting procedures specified for the fiscal activities of the PROJECT. The SUBRECIPIENT's accounting system shall conform to generally accepted accounting principles (GAAP) and uniform standards. All records shall provide a breakdown of total costs charged to the PROJECT including properly-executed payrolls, time records, invoices and vouchers.
- 13. <u>Vehicle Operator Licensing</u>. The SUBRECIPIENT is required to comply with all applicable requirements of the Federal Motor Carrier Safety Administration (FMCSA) regulations and the California Vehicle Code including, but not limited to, the requirement that all vehicle operators have a valid State of California driver's license, including any special operator license that may be necessary for the type of vehicle operated.
- 14. <u>Audit Requirements</u>. The SUBRECIPIENT shall be responsible for meeting the audit requirements of Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR Part 1201.
- 15. Record Keeping. The SUBRECIPIENT and all contractors shall maintain all books, documents, papers, accounting records, and other evidence pertaining to the performance of this Subrecipient Agreement. All parties shall make such materials available at their respective offices at all reasonable times during the performance period and for three (3) years from the date of final payment under this Subrecipient Agreement and all subcontracts.

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- 16. Examination of Records. The RTA shall have access to any books, records, and documents of the SUBRECIPIENT and its contractors that are pertinent to this Subrecipient Agreement for audits, examinations, excerpts, and transactions. Copies thereof shall be furnished by SUBRECIPIENT upon request. Where any information required of a SUBRECIPIENT is in the exclusive possession of another who fails or refuses to furnish this information, the SUBRECIPIENT shall so certify to the RTA what efforts it has made to obtain the information. The SUBRECIPIENT shall include a clause to this effect in every contract entered into relative to the PROJECT.
- 17. <u>Reporting Forms</u>. The SUBRECIPIENT shall furnish the RTA with any additional reports or data that may be required by the FTA or other federal agencies.
- 18. <u>Debarment and Suspension</u>. The SUBRECIPIENT agrees as follows:
 - A. The SUBRECIPIENT agrees to comply with the requirements of the U.S. DOT regulations on "Debarment and Suspension" and 49 CFR Part 29 and agrees to refrain from awarding any third-party contract of any amount to or entering into any sub-agreement of any amount with a party identified in the "U.S. General Services Administration's (U.S. GSA) System for Award Management (https://www.RFP.gov)
 - B. In accordance with 2 CFR Part 1200 and OMB, "Guidelines to Agencies on Government-wide Debarment and Suspension (Nonprocurement)," the SUBRECIPIENT agrees to obtain a debarment and suspension certification from each prospective contractor before award of contract of \$25,000 or more.
- 19. <u>Compliance with Federal Statutes</u>. During the performance of this Agreement, the SUBRECIPIENT, its assignees and successors in interest, agree to comply with all Federal statutes and regulations applicable to grantee recipients under 49 USC Chapter 53, including, but not limited to the following:
 - A. Nondiscrimination Title VI Plan. In accordance with Title VI of the Civil Rights Act, as amended, 42 USC Subsection 2000d, Section 303 of the Age Discrimination Act of 1975, as amended, 42 USC Subsection 6102, Section 202 of the Americans with Disabilities Act of 1990, 42 U.S.C Subsection 12132, and federal transit law at 49 USC Section 5332, the SUBRECIPIENT agrees that it will not discriminate against any employee or applicant for employment because of race, color, national origin, religion, sex, age or disability. In addition, the SUBRECIPIENT agrees to comply with applicable Federal implementing regulations FTA may issue. In accordance with 49 CFR Part 21 and as described in the Title VI Circular, as it may be updated or amended, and the California Department of Transportation Title VI Program Plan, the SUBRECIPIENT shall comply with and ensure that each third-party contractor of the PROJECT also complies with the federal Title VI reporting requirements.
 - Should an update of the SUBRECIPIENT or its contractor's Title VI plan occur during the performance
 of this Agreement, the SUBRECIPIENT agrees to submit to the RTA the updated Title VI Plan in
 advance of its adoption for the purposes of regional Civil Rights program review.
 - B. <u>Equal Employment Opportunity (EEO)</u>. The following equal employment opportunity requirements apply to the underlying contract:
 - Race, Color, Creed, National Origin, Religion, Sex, Age and Disability. In accordance with Title VII of
 the Civil Rights Act, as amended, 42 USC Subsection 2000e, and federal transit laws at 49 USC
 Section 5332, Employment Act of 1967, and Section 102 of the Americans with Disabilities Act the
 SUBRECIPIENT agrees to comply with all applicable EEO requirements of U.S. Department of Labor
 (U.S. DOL) regulations, and with any applicable Federal statutes, executive orders, regulations, and
 Federal policies that may in the future affect construction activities undertaken in the course of the
 PROJECT.

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2. The SUBRECIPIENT agrees to comply with the FTA Circular Section 4704.1A with regard to the Equal employment Opportunity (EEO) program guidelines for grant recipients. The SUBRECIPIENT and its contractors agree to submit the RTA its EEO plan for the purposes of regional Civil Rights program review.

C. The SUBRECIPIENT agrees to include the foregoing requirements in each solicitation for transit-related contract financed in whole or in part with Federal assistance and agrees to notify the contractor of their obligations under this Subrecipient Agreement and the Regulations relative to Civil Rights.

20. Disadvantaged Business Enterprise (DBE). The SUBRECIPIENT agrees to:

- A. Comply with 49 CFR Part 26 "Participation by Disadvantaged Enterprises in Department of Transportation Financial Assistance Programs," and shall cooperate with RTA with regard to maximum utilization of DBEs, using its best efforts to ensure that DBEs shall have the maximum opportunity to compete for sub contractual work under this Agreement.
- B. The SUBRECIPIENT shall not discriminate on the basis of race, color, national origin or sex in the award and performance of any federally-assisted contract or in the administration of its DBE program. The SUBRECIPIENT's DBE program, as required by 49 CFR Part 26 and as approved by USDOT, is incorporated by reference in this Agreement.
- C. The SUBRECIPIENT shall must ensure its third-party contractors also comply with these requirements.
- 21. Section 504 and Americans with Disabilities Act Program Requirements (ADA). The SUBRECIPIENT will comply with 49 CFR Parts 27, 37 and 38, which implement the ADA and Section 504 of the Rehabilitation Act of 1973 (29 USC Section 794) and ensure its third-party contractors operating public transportation service also comply with these requirements.
- 22. Establishing Fares. Fares charged seniors, persons with disabilities or an individual presenting a Medicare card during off peak hours will not be more than one-half the peak hour fares. The SUBRECIPIENT is expected to have a written, locally developed process for soliciting and considering public comment before raising a fare or carrying out a major transportation service reduction. The SUBRECIPIENTS shall develop, publish, and afford an opportunity for a public hearing on any potential fare increases.
- 23. Warranty. When the PROJECT includes the acquisition, improvement, or operation of public transportation, the SUBRECIPIENT shall comply with applicable transit employee protective requirements as specified by 49 USC Section 5333(b). When applicable, those terms and conditions are described in Exhibit E of this Agreement. The SUBRECIPIENT agrees to include any applicable requirements in each subcontract involving transit operations financed in whole or in part with Federal assistance provided by the FTA.

24. Lobbying.

- A. The SUBRECIPIENT shall ensure the SUBRECIPIENT and its contractors will not use federal assistance funds assigned to the PROJECT to support lobbying, in accordance with 31 USC Section 1352 and 49 CFR Part 20, "New Restrictions on Lobbying" and will provide to the RTA the contractor's annual lobbying
- B. The SUBRECIPIENT shall require that the following certification language be included in the award documents for all transit contracts (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) which exceed \$100,000.
- C. The SUBRECIPIENT shall provide annually to the RTA a copy of its and any contractor's lobbying certification.

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25. <u>Drug-Free Workplace</u>. The SUBRECIPIENT certifies by signing this Subrecipient Agreement that it will provide a drug-free workplace, and shall establish policy prohibiting activities involving controlled substances in compliance with GC 8355 *et seq*. The SUBRECIPIENT is required to include the language of this certification in award documents for all sub-awards (including subcontracts, contracts under grants, and cooperative agreements). To the extent the SUBRECIPIENT, any third-party contractor, perform a safety-sensitive function under the PROJECT, the SUBRECIPIENT agrees to comply with, and assure the compliance of each affected third-party contractor with 49 USC 5331, and FTA regulations, "Prevention of Alcohol Misuse and Prohibited Drug use in Transit Operations," 49 CFR Part 655. The Subrecipient and its contractors agrees to have a drug and alcohol testing program in place for all safety-sensitive employees with an ongoing drug-free awareness program. The SUBRECIPIENT agrees to provide to the RTA quarterly testing reports and drug-free policies upon request.

26. Termination Clauses.

- A. Termination for Default.
 - 1. The RTA may terminate this Subrecipient Agreement upon a finding that the SUBRECIPIENT has not made satisfactory progress toward procuring the PROJECT equipment, services, salary and wages, as appropriate, within twelve (12) months of execution of this Subrecipient Agreement, has not billed for operating assistance funds within twelve (12) months of execution of this Subrecipient Agreement, or that the SUBRECIPIENT is otherwise not complying with the terms of this Subrecipient Agreement. Termination shall be by written notice specifying the reason for termination and giving the SUBRECIPIENT thirty (30) days to correct the default. If the SUBRECIPIENT fails to remedy the breach or default or any of the terms, covenants, or conditions of this Subrecipient Agreement to the RTA's satisfaction, the RTA shall have the right to terminate the Subrecipient Agreement without any further obligation to the SUBRECIPIENT.
 - 2. The RTA may terminate this contract upon finding that the SUBRECIPIENT is not operating the PROJECT equipment in accordance with the project description in Exhibit A of this Agreement, or that the SUBRECIPIENT is otherwise not complying with the terms of this contract. Termination shall be by written notice specifying the reason for termination and giving the SUBRECIPIENT thirty (30) days to correct the default. If the SUBRECIPIENT fails to remedy to the RTA's satisfaction the breach or default of any of the terms, covenants, or conditions of this contract, the RTA shall have the right to terminate the contract without any further obligation to the SUBRECIPIENT.
- B. Period of Performance Extension. If it is later determined by the RTA that the SUBRECIPIENT had an excusable reason for not performing, such as a strike, fire, or flood, events which are not the fault of or are beyond the control of the SUBRECIPIENT, and after determining a new delivery of performance schedule, the RTA may allow the SUBRECIPIENT to continue work or treat the termination as a termination for convenience.
- C. Mutual Termination. The PROJECT may also be terminated if the RTA and the SUBRECIPIENT agree that its continuation would not produce beneficial results commensurate with the further expenditure of funds or if there are inadequate funds to operate the PROJECT equipment or otherwise complete the PROJECT.
- 27. <u>Disputes</u>. The RTA and the SUBRECIPIENT shall deal in good faith and attempt to resolve potential disputes arising under this Subrecipient Agreement informally. If the dispute persists, the SUBRECIPIENT shall submit a written demand for a decision regarding the dispute to the San Luis Obispo Counsel of Government (SLOCOG/MPO's) authorized representative for this Agreement or his or her designee.

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SUBRECIPIENT AGREEMENT Subrecipient Name: 0

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28. Procurement.

A. Exclusionary or Discriminatory Specifications. Apart from inconsistent requirements imposed by Federal statue or regulations, the SUBRECIPIENT agrees that it will comply with the requirements of 49 USC Section 5323(h)(2) by refraining from using any Federal assistance funds awarded to support procurements using exclusionary or discriminatory specifications.

- B. For all procurements of commodities, property, supplies, equipment or services under an FTA assisted grant, the SUBRECIPIENT shall provide full and open competition and comply with the procurement requirements set forth in 49 USC Section 5325(a), applicable third-party procurement requirements of 49 USC Chapter 53, 49 USC Section 5325(b) to award a third-party contracting using a competitive procurement process, and other procurement requirements of Federal laws in effect now or as amended to the extent applicable. The SUBRECIPIENT shall prepare a bid or proposal package, including equipment and material specifications or a scope of work and submit to the RTA for review and approval prior to issuance.
- C. Purchases shall contain all applicable federal third-party contract clauses. Upon request for reimbursement, the SUBRECIPIENT shall submit a copy of the purchase order to the RTA.
- D. The SUBRECIPIENT agrees that it may not use FTA assistance to support its procurements unless there is satisfactory compliance with federal laws and regulations. In accordance with applicable USDOT third-party procurement regulations at 2 CFR Part 1201 and the provisions of the Third-Party Contracting Circular, including, but not limited to, the following provisions apply to all procurements:
 - 1. To state clearly that the final contract award to any bidder or proposer requires that procurement solicitations are consistent with the PROJECT description identified in Exhibit A.
 - To comply with applicable Federal laws and regulations including, but not limited to, Federal transit laws at 49 USC Chapter 53, FTA regulations, and other Federal laws and regulations that contain requirements applicable to FTA recipients and their FTA assisted procurements. Also, to include all required Federal procurement provisions in each subcontract financed in whole or in part with Federal assistance provided by FTA.
 - 3. In accordance with 49 USC Section 5325(e)(1), in the procurement of rolling stock, may not enter into a multi-year contract to purchase additional rolling stock and replacement parts with options exceeding five (5) years after the date of the original contract.
 - 4. To comply with 49 USC Section 5325(f), agrees that any third-party contract award it makes for rolling stock will be based on initial capital costs, or on performance, standardization, life cycle costs, and other factors, or on a competitive procurement process.
 - 5. To comply with the requirements of 49 USC Section 5323(m) and FTA regulations, "Pre-Award and Post-Delivery Audits of Rolling Stock Purchases," 49 CFR Part 663, and any revision thereto.
 - 6. To comply with the requirements of 49 USC Section 5318(c) and (e) and FTA regulations, "Bus Testing", 49 CFR Part 665, including the certification that before expending any Federal assistance to acquire the first bus of any new bus model or any bus model with a new major change in configuration or components or before authorizing final acceptance of that bus, that model of bus will have been tested at the Altoona Bus Research and Testing Center. The SUBRECIPIENT must obtain the final testing report and provide a copy of the report to the RTA with its request for reimbursement.
 - 7. To require each bidder to certify that it has complied with 49 CFR Part 26, which requires each transit vehicle manufacturer to submit a certification that it has complied with FTA's DBE requirements.
 - 8. In subcontracts exceeding \$100,000, to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act, as amended, 42 USC Section 7401 et seq. and federal Clean Water Act, as amended, 33 USC Section 1251 et seq. SUBRECIPIENT agrees to report and require each third-party contractor or subcontractor at any tier of the PROJECT to report any violation of

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- these requirements resulting from any PROJECT implementation activity of a third-party contractor, subcontractor, or itself to FTA and the appropriate U.S. EPA Regional Office.
- 9. To comply with the mandatory energy standards and policies of the STATE's energy conservation plans under the Energy Policy and Conservation Act, as amended, 42 USC Section 6201 *et seq.*, and perform an energy assessment for any building constructed, reconstructed or modified with federal assistance.
- 10. To comply with mandatory standards and policies relating to energy efficiency, which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act of 1975 (Public Law 94–163, 89 Statute 871, enacted December 22, 1975).
- 11. To the extent applicable, agrees to conform to the National Intelligent Transportation System (ITS) Architecture and Standards as required by 23 USC Section 517(d), 23 USC Section 512 note, and 23 CFR Parts 655 and 940, and follow the provisions of the FTA Notice, "FTA National ITS Architecture Policy on Transit projects," 66 Fed. Reg. 1455 *et seq.*, and any other implementing directives FTA may issue at a later date, except to the extent the FTA determines otherwise in writing. Third-party contracts involving ITS must comply with Federal requirements.
- 12. In accordance with 40 CFR Part 85, "Control of Air Pollution from Mobile Sources," 40 CFR Part 86, "Control of Air Pollution from New and In-Use Motor Vehicles and New and In-Use Motor Vehicle Engines," and 40 CFR Part 600, "Fuel Economy of Motor Vehicles, the SUBRECIPIENT must include provisions in all third-party contract for procurement of rolling stock to ensure compliance with applicable Federal air pollution control and fuel economy regulations.
- 13. SUBRECIPIENT shall refer to FTA "Best Practices Procurement Manual" for additional procurement guidance on procurement processes and any omissions applicable to the PROJECT. The SUBRECIPIENT's failure to comply with all mandates shall constitute a material breach of this Subrecipient Agreement.
- 14. SUBRECIPIENT must comply with 2 CFR Part 225 or 2 CFR Part 230, as applicable, in determining whether PROJECT costs are allowable or unallowable.
- 15. SUBRECIPIENT must have written protest procedures describing its pre-bid/pre-proposal, post proposal, and post-delivery certification and audit procedures and shall disclose the protest procedures and appeal process to all bidders.
- 16. The SUBRECIPIENT shall forward to the RTA at least twenty (20) business days prior to the release of the bid solicitation, a copy of the bid solicitation document, proposed third-party contract, independent cost estimate and cost price analysis for federal awards over \$250,000.00, and bidders list for review and approval prior to advertising and award of contract.
- 29. <u>FTA Regulations, Policies, Procedures and Directives</u>. The SUBRECIPIENT shall at all times comply with all applicable FTA regulations, policies, procedures and directive, including, without limitation, those listed directly or by reference in the USDOT FTA Master Agreement between the RTA and FTA, as they may be amended or revised from time to time, during the term of this Subrecipient Agreement. The SUBRECIPIENT's failure to so comply shall constitute a material breach of this Agreement. In the event any portion, term, condition or provision of this Subrecipient Agreement should be deemed illegal or in conflict with the laws of the State of California or with federal law or otherwise be unenforceable, the remaining portion, terms, conditions or provisions shall not be affected thereby.
- 30. Incorporation of FTA Terms. The provisions in this Subrecipient Agreement include, in part, certain Standard Terms and Conditions required by the USDOT, whether or not expressly set forth in the Agreement. All contractual provisions required by the USDOT, as set forth in the Third-Party Contracting Circular are hereby incorporated by reference. Anything to the contrary herein notwithstanding, all FTA-

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mandated terms shall be deemed to control in the event of a conflict with other provisions contained in this Agreement. The SUBRECIPIENT shall not perform any act, fail to perform any act, or refuse to comply with any RTA requests which would cause the RTA to be in violation of these Standard Terms and Conditions.

- 31. Amendments to Federal, State and Local Laws, Regulations and Directives. The terms of the most recent amendment to any Federal, State, or local laws, regulations, FTA directives, and amendments to the grant or cooperative contract that may be subsequently adopted, are applicable to the PROJECT to the maximum extent feasible, unless FTA provides otherwise in writing.
- 32. Property Maintenance and Inspection. While the PROJECT is in the possession or control of the SUBRECIPIENT, the SUBRECIPIENT shall operate or maintain the PROJECT in accordance with detailed maintenance and inspection schedules provided by the manufacturer, keeping a written log or record of all repairs and maintenance. The RTA shall have the right to conduct periodic inspections for the purpose of confirming the existence, condition, and proper maintenance of the PROJECT. No alterations may be made to the PROJECT in its as-received condition without first receiving written approval from the RTA. The SUBRECIPIENT shall notify the RTA within ten (10) working days of any loss or damage, including accident, fire, vandalism, theft, to the PROJECT.
- 33. <u>Useful Life Standard</u>. In accordance with the Grant Management Circular, the following Useful Life Standard (ULS) shall determine when PROJECT property will no longer be subject to monitoring and reporting requirements. SUBRECIPIENT will be released from the monitoring and reporting requirements after the RTA has approved SUBRECIPIENT's request for disposition of PROJECT property through email. While age and mileage are the primary criteria used to determine the useful life of vehicles, this determination is based on the date the vehicle or other equipment was put into active service, not the actual model year of the vehicle. These criteria are subject to review by the 5307 or 5339 Program Chief, as applicable, if either factor is less than the value shown herein.

TYPE OF EQUIPMENT	USEFUL LIFE STANDARD
Minivans	4 years or 100,000 miles
Small, Medium, Large Bus	5 years or 150,000 miles
Larger Bus	7 years or 200,000 miles
Largest Bus (5311/5339 Only)	10 years or 350,000 miles

Computer Equipment 3 years
Asphalt Paving, Parking Lot (5311 Only) 10 years
Bus Shelters (5311 Only) 10 years
Building Structures (5311 Only) 40 years
Bus Lift 15 years
Bus Stop Signs (5311 Only) 5 years
Communication Equipment 3 years

Communication Equipment on Vehicles Same as ULS associated with Vehicle

Farebox/Ticket Machine 10 years Surveillance Equipment 3 years ITEM NUMBER: A-2
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SUBRECIPIENT AGREEMENT Subrecipient Name: City of Atascadero

Subrecipient Name: City of Atascadero
Agreement No

34. Property Ownership and Relinquishment.

- A. At all times while PROJECT property or equipment is in the possession or control of the SUBRECIPIENT, the SUBRECIPIENT shall be the registered owner and the RTA shall be the legal owner (lien holder). Whenever any PROJECT property or equipment is withdrawn from the PROJECT for any reason, the SUBRECIPIENT shall immediately notify the RTA of its request. The SUBRECIPIENT shall not transfer ownership of PROJECT property or equipment at any time while this Subrecipient Agreement is in effect. The RTA shall retain the original Certificate of Title until such time that disposition of PROJECT property or equipment is released by the RTA to the SUBRECIPIENT or other appropriate party.
- B. Whenever any PROJECT property or equipment is withdrawn from the service for any reason prior to meeting the ULS, and at the discretion of the RTA, the SUBRECIPIENT shall be required to do one of the following:
 - 1. Remit to the RTA a proportional amount of the fair market value of the property, which shall be determined on the basis of the ratio of the Federal grant funds paid under
 - 2. Relinquish the property to the RTA in the same condition as when received by the SUBRECIPIENT except for reasonable wear and tear resulting from its use.
 - 3. When PROJECT property is lost or damaged by fire, casualty, or natural disaster, the fair market value shall be calculated on the basis of the condition of the property immediately before the fire, casualty, or natural disaster, irrespective of the extent of insurance coverage. Based on the calculation, the proceeds shall be applied to the cost of replacing the damaged or destroyed PROJECT property taken out of service.
 - 4. If any damage to PROJECT property results from abuse or misuse occurring with the SUBRECIPIENT's knowledge and consent, the SUBRECIPIENT agrees to restore the PROJECT property to its original condition or refund the value of the Federal interest in that property to the RTA.

35. Insurance.

- A. While the PROJECT equipment is in the possession or control of the SUBRECIPIENT, the SUBRECIPIENT shall maintain adequate insurance protection against liability for damages for personal bodily injuries (including death), property damage, and vehicle damage as conditioned in this section.
- B. The RTA, its officers, employees, and agents shall be named as additional insured.
- C. Prior to the annual insurance policy expiration date, the SUBRECIPIENT shall furnish to the RTA a new certificate of insurance or other written evidence of insurance.
- 36. <u>Potential Subcontractors</u>. No Relationship between the RTA and Third-Party Contractor. Nothing contained in this Subrecipient Agreement or otherwise, shall create any contractual relation, obligation or liability between the RTA and any third-party contractors, and no third-party agreement shall relieve the SUBRECIPIENT of its responsibilities and obligations hereunder. The SUBRECIPIENT's obligation to pay its third-party contractors is an independent obligation from the RTA's obligation to make payments to the SUBRECIPIENT. As a result, the RTA shall have no obligation to pay or to enforce the payment of any moneys to any third-party contractor.
- 37. Indemnification. Neither the RTA, its officers nor employees thereof is responsible for any injury, damage or liability occurring by reason of anything done or omitted to be done by SUBRECIPIENT and/or its agents under or in connection with any work, authority or jurisdiction conferred upon SUBRECIPIENT under this Subrecipient Agreement. It is understood and agreed that SUBRECIPIENT and/or its agents shall fully defend, indemnify and hold harmless the RTA and all its officers and employees from all claims, suits or actions of every name, kind and description brought forth including, but not limited to, tortious, contractual, inverse condemnation or other theories or assertions of liability occurring by reason of anything done or omitted to be done by SUBRECIPIENT and/or its agents, employees, and representatives under this Subreceipient Agreement.

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EXHIBIT D SPECIAL TERMS AND CONDITIONS

- Purchase Order. Upon approval by the RTA of a procurement award, the SUBRECIPIENT (or procurement agent acting on its behalf) may issue a purchase order for the PROJECT. Each purchase order shall be consistent with the approved bid award listed in Exhibit A, be consistent with Billing and Payment instructions listed in Exhibit B, and include a reference to the contract number as assigned to this Subrecipient Agreement.
- 2. <u>Disposition</u>. The disposition of the PROJECT and any PROJECT-related equipment or property shall be made in accordance with 49 USC Chapter 53 and the applicable Program Circular. Disposition requests shall be submitted to the RTA prior to disposition.
- 3. Release of Title. As long as the RTA is lien holder of the vehicle, SUBRECIPIENT is obligated to provide required periodic reporting described in Exhibit D, even if the ULS for the PROJECT has been exceeded. When the ULS has been achieved, the RTA shall remain the lien holder for vehicles or equipment until all of the steps in the disposition process described in the preceding regarding Disposition have been completed. Upon completion of the disposition process, the RTA shall make a determination as to whether the ULS has been achieved. Useful Life requirements are enumerated in Exhibit C of this Agreement. The RTA has the discretion to base its determination upon either PROJECT mileage, PROJECT age or a combination of both. Upon determining that the ULS has been achieved, the RTA shall release title to the SUBRECIPIENT. Upon release of title to SUBRECIPIENT, the SUBRECIPIENT shall keep the PROJECT or alternatively, the proceeds from the sale of the PROJECT, in its public transportation program.
- 4. <u>Reporting Requirements</u>. Upon request by the RTA, the SUBRECIPIENT must submit the following reports (Failure to meet these requirements may result in withholding of all invoice payments and may be grounds for PROJECT termination):
 - A. Milestone Reporting.
 - Capital and Operating Projects. The SUBRECIPIENT shall submit a quarterly report of vehicle/equipment usage or its progress of the mobility management activities within twenty (20) calendar days after the close of each federal reporting period. The federal reporting periods are:
 - 1) October 1 through December 31
 - 2) January 1 through March 31
 - 3) April 1 through June 30; and
 - 4) July 1 through September 30
 - 2. Annual Reporting (Operating Assistance Projects). The SUBRECIPIENT shall submit an annual report of progress made on the PROJECT by no later than thirty (30) days after the close of the annual federal reporting period of October 1st through September 30th. Annual reports are due no later than October 30th.
 - B. Final Reporting / Close-out of subaward. The SUBRECIPIENT shall submit a final PROJECT report documenting final PROJECT costs (including expenditures report with bank statements or financial system reports). This report shall include PROJECT narratives of work performed and PROJECT outcomes, how program performance measures have been met by this PROJECT for the target group as referenced in the SUBRECIPIENT's application.



Atascadero City Council

Staff Report - Public Works Department

Approve Final Map for Tract 3147 (Bosque Court)

RECOMMENDATION:

Council adopt Draft Resolution approving the Final Map for Tract 3147.

DISCUSSION:

Background

The Vesting Tentative Map for Tract 3147 (previously Tract 3085) was originally approved by the Atascadero Planning Commission on May 17, 2016 (PC Resolution No. 2016-0015), which authorized the subdivision of two mirrored flag lots (10075/10085 Atascadero Avenue) totaling approximately 6.7 acres into six single-family lots of one acre or more. A location map is shown below.



Subdivision Improvement Plans were approved by the City Engineer and comprised of a new cul-de-sac street to be constructed to City Standards (Bosque Court – previously El Mojon Court) and public utilities, including a public sanitary sewer main, to serve the subdivision.

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The subdivider, DA2 Development, LLC, opted to construct all subdivision improvements prior to seeking approval for recordation of the Final Map, which eliminated the need for a subdivision improvement agreement and financial security for the improvements. During that time, the tentative tract map expired and the subdivider was required to obtain a new tract number from the County (now Tract 3147) and reapply to approve the tentative map. The Planning Commission reconsidered and approved Vesting Tentative Map for Tract 3147 on January 7, 2020 (PC Resolution No. 2020-0001)

With exception to some minor items covered by a warranty security, construction of the public improvements is now complete and the subdivider requested approval of the final map by the City for recordation. The map is being considered for approval by the City Council since the subdivider has provided offers of dedication on the final map that need to be accepted or rejected by the governing body.

Analysis

The City Engineer and Community Development Director have reviewed the final map and accompanying documents, fees, and materials for filling of Tract 3147, and determined they are in substantial conformity with the approved tentative map and conditions of approval. Pursuant to California Government Code (CGC) Section 66458, the approving legislative body (City Council) shall approve a final map provided it conforms to all requirements of CGC Section 66458 and any local subdivision ordinance.

In addition, the following offers of dedication to the public and City Engineer's recommended action to accept, accept subject to improvement, or reject without prejudice are indicated on the Final Map for Tract 3147:

- An offer of dedication for public street purposes for Bosque Court (Reject without prejudice to future acceptance by City Council).
- An offer of dedication for a public sewer easement (Accept).

The Director of Public Works/City Engineer recommends that the Council accept the sanitary sewer main constructed with Tract 3147 improvements into the City's Wastewater Collection System. Doing so will allow these facilities to be owned and maintained by the City of Atascadero, which is funded by the Wastewater Enterprise Fund through on-going sewer service charges. Staff recommends that the Council authorize the City Engineer to accept the satisfactory completion of subdivision improvement work on their behalf.

FISCAL IMPACT:

None.

ATTACHMENTS:

- Draft Resolution
- 2. Tract 3147 Map

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ATTACHMENT: 1

DRAFT RESOLUTION

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ATASCADERO, CALIFORNIA, APPROVING FINAL MAP FOR TRACT 3147 AND ACCEPTING PORTIONS OF THE SUBDIVISION PUBLIC IMPROVEMENTS INTO THE CITY OF ATASCADERO WASTEWATER COLLECTION SYSTEM

WHEREAS, the Vesting Tentative Map for Tract 3147 (previously Tract 3085) was originally approved by the Atascadero Planning Commission on May 17, 2016 (PC Resolution 2016-0015) and Public Improvement Plans for "Tract 3085, El Mojon Court" were approved by the City Engineer on September 28, 2017; and

WHEREAS, the Vesting Tentative Map expired and was reconsidered and approved by the Atascadero Planning Commission on January 7, 2020 (PC Resolution 2020-0001) as Tract 3147; and

WHEREAS, the Subdivider, DA2 Development, LLC, has completed the construction of Improvement Plans comprised of a new cul-de-sac street (Bosque Court) and public utilities, including a public sanitary sewer main, to serve the six lot subdivision; and

WHEREAS, the City Engineer and Community Development Director have reviewed the final map and accompanying documents, fees, and materials for filling of Tract 3147, and determined they are in substantial compliance with the approved tentative map and conditions of approval.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Atascadero:

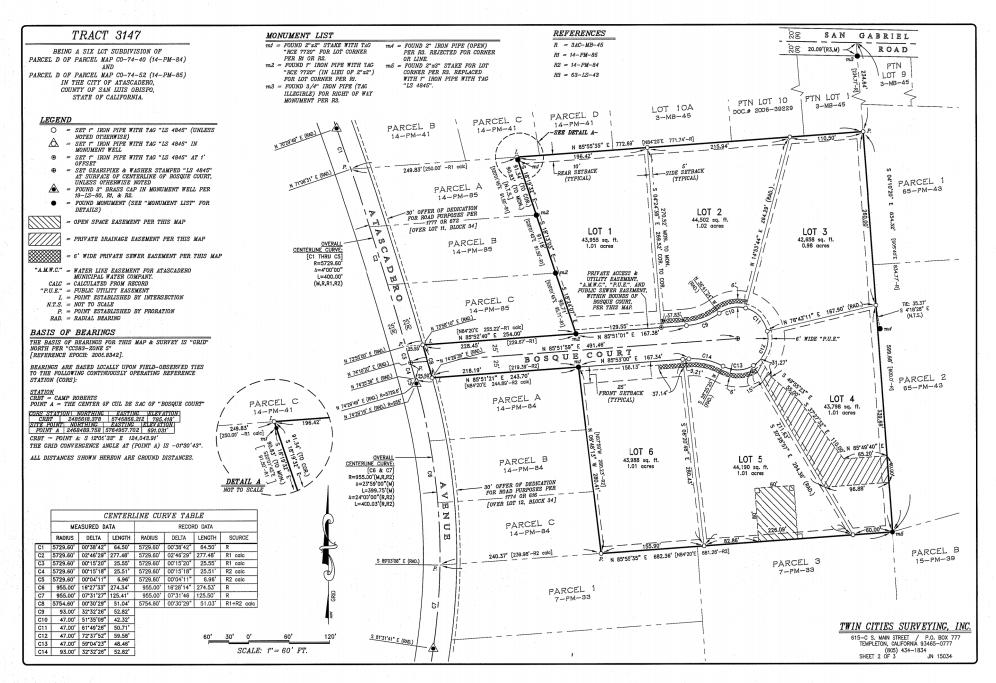
SECTION 1. Final Map for Tract 3147 is hereby approved.

SECTION 2. Final Map for Tract 3147 offers of dedication for public street purposes for Bosque Court are rejected without prejudice to future acceptance on behalf of the public and shall be privately maintained.

SECTION 3. The public sanitary sewer main on Bosque Court in Tract 3147, constructed as part of the Improvement Plans, is hereby accepted into the Atascadero Wastewater Collection System and the offer of dedication for public sewer is hereby accepted.

SECTION 4. The City Engineer is hereby authorized to accept the satisfactory completion of subdivision improvement work on behalf of the Council for Tract 3147.

PASSED AND ADOPTED at a regularch, 2020.	alar meeting of the City Council held on the 1	0th day of
On motion by Council Member foregoing Resolution is hereby adopted in its	and seconded by Council Members entirety on the following roll call vote:	, the
AYES: NOES: ABSENT: ABSTAIN:	CITY OF ATASCADERO	
	Heather Moreno, Mayor	
ATTEST:		
Lara K. Christensen, City Clerk		
APPROVED AS TO FORM:		
Brian A. Pierik, City Attorney		





Atascadero City Council

Report of the City Council ad hoc Committee

Mobile Home Rent Stabilization

RECOMMENDATION:

Council discuss the ad hoc Committee report and consider actions.

DISCUSSION:

Background

At its September 24, 2019 meeting, the City Council received testimony from several members of the public requesting that the Council consider a Mobile Home Park Rent Stabilization Ordinance (MRSO). The Council provided direction to staff to bring the issue back for formal discussion and staff prepared a report for consideration at the October 22, 2019 meeting.

At its October 22, 2019 meeting, the Council heard testimony from numerous members of the public, primarily mobile home residents and park owners or representatives. The Council elected not to adopt an MRSO at the meeting but did appoint an ad hoc Committee consisting of Mayor Pro Tem Bourbeau and Council Member Fonzi to meet with residents and owners to investigate issues and consider alternatives.

On December 3, 2019, the ad hoc Committee met with mobile home park residents at the Rancho Del Bordo community room. There were approximately two dozen persons in attendance from Rancho Del Bordo and a few residents from other parks. Mr. David Loop, an attorney with the Golden State Mobilehome Owners' League (GSMOL), joined the meeting by phone and provided input and answered questions for residents.

On December 10, 2019, the ad hoc Committee met with owners and owner representatives at City Hall and via conference call. Owners or representatives from Lost Oak, Villa Margarita, Camino del Roble Estates, and Circle M parks were present. A representative of Western Manufactured Housing Communities, who represents some park owners in Atascadero, was also included. The owner of Rancho Del Bordo was not on the conference call. However, Committee Member Bourbeau had previously spoken with her at length.

Committee members also spoke separately with:

• SLO County personnel responsible for implementing the county's ordinance.

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- City attorneys for SLO and Santa Maria regarding their ordinances.
- Realtors selling mobile homes in Atascadero.
- Manager at Manufactured Home Sales, a dealer of new manufactured homes on Theater Dr. in Paso Robles.
- Karen Levanway, a resident of Rancho Del Bordo, who has been active on this issue, coordinated the Committee's visit to the park, and provided information gathered from residents and the GSMOL.

What The Ad Hoc Committee Learned

Almost all complaints the Committee heard from residents were from one park, Rancho Del Bordo. Residents of Rancho Del Bordo have long-term leases that include a provision limiting rent increases to changes in the consumer price index (CPI) and under state law long term leases are exempt from rent control provisions. The complaints from Rancho Del Bordo residents centered on what happens upon vacancy, that is when a mobile home owner wishes to move and sell their mobile home. A new owner is subject to a new lease at a rate set by the park owner.

According to Rancho Del Bordo residents, monthly space rents for new owners, have been raised considerably in excess of the CPI in the last few years, from the \$700s to \$850 to \$925 with the park ownership purportedly planning to raise rents for new owners to \$1,000 in 2020. The park owner at Rancho Del Bordo indicated that they did not exercise pass through provisions that would allow rent increases greater than CPI for major capital expenditures, and they felt it was more beneficial for park residents to raise rents on new owners in the park, rather than on all residents.

Both park residents and park owners recognize that there is a direct inverse relationship between space rents and the market value of a home in a park. In a community with rapidly rising prices for both rental and owner-occupied housing, mobile home parks present a question as to whether the financial benefit of the higher prices people are willing to pay for housing should go to those owning the land, like an apartment owner in the form of higher rents, or to those who own the mobile home, in the form of a higher selling price due to a limit on space rent.

Rancho Del Bordo residents' second major complaint revolved around park ownership's approval, or rather frequent disapproval, of prospective buyers/new tenants. If the park disapproves a potential buyer's application to rent a space in the park, then the seller must find a new buyer, likely at a lower price. If a seller's motivation to sell is very time sensitive, i.e. moving away for job reasons or due to ill health, they may have to leave the property vacant, with space rent accruing, or sell to the park itself at a much lower price. This is known to happen in the industry. The Committee could see through real estate listings where some Rancho Del Bordo homes were listed and then reduced in price, but the Committee did not confirm any specific instances in Rancho Del Bordo where the park ended up buying a home at an extremely low price.

Park owners may disapprove new resident applications based on an applicant's ability to pay (based on income, assets, and credit history), and the likelihood of following park rules based on previous tenant history. Residents complained that Rancho Del Bordo requires four times space rent in monthly income and is strict about taking into consideration assets that applicants may use to pay rent, while other parks only require

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three or 3.5 times space rent in income, and are more generous in counting assets. The Committee's discussion with park owners indicated this was generally true but each park owner based their approval/disapproval decision on the totality of the relevant information provided. Multiple realtors conveyed that Rancho Del Bordo was the most difficult park in town in which to obtain approval of new buyers.

All park owners conveyed that approving buyers is a basic business decision, which the City should not interfere with unless it is prepared to guarantee the payment of rent. In response to questions posed by the ad hoc Committee, the City Attorney's office also expressed concern about the City's ability to make and sustain findings regarding imposing on park owner approval/disapproval decisions. Park owners are required to provide their approval/disapproval decision in writing along with the reason for disapproval if applicable. It was unclear to the Committee if that was being done.

Five of the six parks in Atascadero are individually or family owned and operated. Lost Oak, on San Diego Way, is corporate owned by Thomsen Properties LLC, which according to their online profile, owns and operates 26 mobile home parks and RV facilities in California. An active resident at Rancho Del Bordo did pass along a written message from a resident of Lost Oak with complaints about some management practices but not specifically about rent increases.

At the park owner meeting, there was unanimous opposition to an MRSO or a moratorium on rent increases even if it allowed for CPI based increases. The park owners present felt they have good relations with their residents and they should not be subjected to an ordinance when complaints arise from one park. More than one park indicated they do not always increase rents by the CPI, but if they believed the City were about to enact an ordinance, they would feel compelled to raise rents immediately to catch up with the market. Most of the other parks use short-term leases and could raise rents immediately. The small number of residents of other parks that Committee Members encountered, specifically from Villa Margarita and Camino del Roble, expressed great satisfaction with their owners and concern that involvement by the City could adversely affect them in the form of preemptive rent increases.

On Nov 19, 2019, the City of Santa Maria adopted an enforceable model lease, which includes provisions for limiting annual rent increases and limiting rent increases upon sale (vacancy control). The ordinance requires park owners to offer the model lease if the park owner and resident cannot agree on other provisions. The model lease includes provisions limiting annual rent increases and allowing for greater but still limited increases upon vacancy. It is noteworthy that the Western Manufactured Housing Communities Association (a park owners group) supported the enforceable lease, albeit with some reservations.

The ad hoc Committee met with Karen Levanway, a resident of Rancho Del Bordo, who has gathered information from many residents and from GSMOL, and coordinated meetings on the subject. As an advocate of an MRSO or emergency moratorium ordinance (EMO) on rent increases she stressed her opinion that without one of these protections, mobile home owners are vulnerable to substantial unaffordable rent increases, in the case of short term leases, or substantial rent increases upon vacancy that lessen the value of their homes, in the case of long term leases. She feels that it is

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inevitable that family owned parks will ultimately sell to corporate owned entities whose sole purpose is to maximize profits at the expense of captive residents. She also argued that mobile homes are a primary source of affordable housing especially for senior citizens and that failure to enact some protection jeopardizes that affordable housing.

As an advocate for an MRSO or EMO, Ms. Levanway seeks protections including: limiting annual rent increases to changes in the CPI, no significant increases for new owners upon sale of a home, no pass through to residents of increased operating or maintenance expenses in addition to CPI changes, and advised a model lease with similar provisions would also be acceptable.

ALTERNATIVES:

As discussed in staff's original report of Oct 22, 2019, the Council should consider the likely impact on all mobile home park residents, both currently and in the future, the impact on park owners, and the likelihood and costs of potential legal challenges to any action. Alternatives available to the Council include:

- 1. Take no action at this time. If further problems involving significant adverse impacts on residents were to arise, the Council could reconsider this course at another time in the future.
- 2. Direct staff to bring back an MRSO. Council already elected not to pursue this action.
- 3. Direct staff to bring back an ERO. The State recently adopted legislation limiting rent increases to CPI changes plus 5%. The legislation did not apply to mobile homes. An ERO which can be adopted for 45 days and extended up to a total of 2 years could be viewed as an interim step to see if the State extends such protections to MH.
- 4. Direct staff to bring back a model lease program patterned after Santa Maria.
- 5. Require additional disclosures be provided to mobile home purchasers regarding how rent increases affect the value of their purchase.

ATTACHMENTS:

- 1. City of Atascadero staff report for City Council meeting of October 22, 2019
- City of Santa Maria staff report on model lease for November 19,2019 meeting, and accompanying comments from mobile home owners group and park owners association
- 3. Rancho Del Bordo Mobile Home Estates Ten-Year Lease agreement

ITEM NUMBER: C-1 DATE: 10/22/19



Atascadero City Council

Staff Report - City Attorney

Discussion of Mobile Home Park Rent Stabilization Issue

RECOMMENDATION:

Council discuss mobile home park rent stabilization issue and provide direction to staff.

DISCUSSION:

This Staff Report is submitted pursuant to the direction of the City Council at its meeting on September 24, 2019.

I. INTRODUCTION

A. Rent Stabilization Ordinances

Attached to this Staff Report are copies of examples of rent stabilization ordinances including:

County of San Luis Obispo -- Attachment 1

City of Morro Bay -- Attachment 2

Rent stabilization ordinances have many provisions in common including a statement of the purpose and intent of the ordinance, definitions, exemptions, establishment of a rent review board, statement of the powers and duties of the board, determination of base rent and allowable increases, park owner hardship exceptions, hearing procedures for the rent board, standards of review, decisions by the board and appeals of the board decision.

B. <u>Actual Costs: Study, Adoption and Administration</u>

There are actual costs (City staff time, legal expenses, accounting expenses) which will be incurred with rent stabilization ordinances including, but not limited to, costs to study whether to adopt an ordinance, costs to draft an ordinance, and costs to administer the ordinance.

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To provide some examples of such actual costs, the County of Ventura has a rent stabilization ordinance and has reported that its annual administration costs are approximately \$125,000 not including legal fees. The City of Modesto has a rent stabilization ordinance and, according to newspaper reports, the City expected the costs for the program in the first year to be \$106,000 with some of the costs diminishing for future years.

C. Potential Costs: Litigation

The above described actual costs do not include damages that may be incurred in the event a park owner files a legal challenge to the adoption of a rent stabilization ordinance claiming that there has been a taking of property without just compensation.

In addition, a park owner can file a legal challenge against a city claiming the rent increase approved is not sufficient.

In the event these legal challenges are successful, the city is exposed to potentially uninsured liability for damages in potentially very significant amounts. While the outcome of such lawsuits would be for the courts to decide, there would be, at a minimum, substantial time and expense for the City to defend against such lawsuits.

D. Alternatives to Rent Stabilization

Attachment 3 is a copy of a Memorandum from the County of El Dorado which has a section on Alternatives to Rent Stabilization (pages 10-11) including: Model Leases and Memorandums of Understanding (MOU), Resident Assistant Programs (Space Rent Subsidy), conversion to resident ownership, County purchase of mobile home park to stabilize rents and purchase by non-profits.

II. CALIFORNIA MOBILEHOME RESIDENCY LAW

Under the state Mobilehome Residency Law contained in Civil Code Section 798 to Section 799.11, the following mobile home spaces are exempt from local rent control regulations:

- Mobile home rental spaces with a rental agreement in excess of twelve (12) months is entered into between the management and homeowner for the personal and actual residence of the homeowner (Cal. Civ. Code § 798.17)
- 2. Mobile home rental spaces that were constructed and initially held out for rent after January 1, 1990 (Cal. Civ. Code §§ 798.7, 798.45); and
- 3. Under certain circumstances, mobile home rental spaces where the space is <u>not</u> the principal residence of the mobile homeowner and the homeowner has not rented the mobile home to another party. (Cal. Civ. Code § 798.21).

In addition to these exemptions from local rent control ordinances, the Mobilehome Residency Law contains other provisions that preempt more general local landlord-tenant regulations that may apply to mobile home park owners and tenants.

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For example, mobile home rent control ordinances may not allow landlords to charge tenants "fees" or "pass-throughs" for certain services unless specifically authorized by statute. (Cal. Civ. Code §§ 798.31-798.38, 798.41, 798.44, 798.49, Karrin v. Ocean-Aire Mobile Home Estates (1991) 1 Cal.App.4th 1066). In addition, state law may preempt local regulations relating to notices of rent increases, security deposit requirements, and grounds for eviction. (Cal. Civ. Code §§ 798.30, 798.39, 798.56.).

III. COURT DECISIONS

There are a number of the court decisions relating to the subject of rent control ordinances and the potential for claims by a property owner that such ordinances could constitute a regulatory taking of their property and/or violate due process rights.

A. <u>Federal Court Decisions</u>

1. Penn Central Transportation Co. v. City of New York (1978) 438 U.S. 104

In <u>Penn Central</u>, the United States Supreme Court describes when a regulatory taking may occur which requires payment of just compensation. In <u>Penn Central</u>, a property within the city was designated as a landmark site under the city's landmarks preservation law. Subsequently, the property owner entered a lease under which the tenant would construct a multistory office building above the property and pay the owner rent for use of the new construction. However, under the city's preservation law, the city denied the property owner's request to build the new office space. The owner sued the city, alleging that a taking of property occurred without just compensation.

To determine if a regulatory taking has occurred, <u>Penn Central</u> (at p. 124) identified three factors to consider:

- (1) The regulation's economic impact on the claimant,
- (2) The extent to which the regulation interferes with distinct investment-backed expectations, and
- (3) the character of the government action.
- Adamson Companies v. City of Malibu (C.D. Cal. 1994) 854
 F.Supp. 1476

In <u>Adamson Companies</u>, mobile home park owners challenged a local rent control ordinance enacted by the city shortly after the city's incorporation. The ordinance contained various components, including an immediate rent rollback, limitations on rent increases, temporary rent freezes, vacancy control, park closure conversion restrictions, pass-through provisions, and procedures to adjust rents to receive a fair return. The park owners challenged the city's ordinance as violating substantive due process and equal protection, as well as constituting a taking without just compensation.

The Court found the ordinance was in violation of the property owners' due process rights. The city eventually settled with one park owner for \$400,000 and second property owner for \$605,448 plus attorneys' fees of \$398,308 and costs of \$30,725.

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3. <u>Guggenheim v. City of Goleta</u> (9th Cir. 2010) 638 F.3d 1111

In <u>Guggenheim</u>, the Ninth Circuit addressed a challenge by a mobile home park owner to a rent control ordinance. The case involved a mobile home rent control ordinance enacted by Santa Barbara County in 1979, and later adopted by the City of Goleta as required by law upon incorporation in 2002. The property owners purchased the mobile home park in 1997, 18 years <u>after</u> the county ordinance was enacted. The park owners sued the city in 2002, claiming that the ordinance was a regulatory taking without just compensation and that the ordinance violated substantive due process and equal protection.

The Court applied the <u>Penn Central</u> factors and held that the ordinance was not a regulatory taking. The court emphasized that the second <u>Penn Central</u> factor regarding investment-backed expectations was fatal to the property owners' claim because the rent control ordinance was enacted long before the property owners purchased the mobile home park, and therefore the price the owners paid for the park reflected the burden of rent control the owners would thereafter suffer. Applying rational basis review, the court also held that the rent control ordinance did not deny the property owners substantive due process or equal protection of the laws. (Note that Mobile Residency Law discussed in Section II above cites the law that mobile home rental spaces constructed and initially held out for rent after January 1, 1990 are exempt from local rent control regulations).

4. MHC Financing v. City of San Rafael (9th Cir. 2013) 714 F.3d 1118

The MHC case is another decision by the Ninth Circuit involving mobile home rental control issues. The case involved a rent control ordinance that was enacted in 1989, and subsequently amended in 1993 and again in 1999. Between the 1993 amendment and the 1999 amendment, the mobile home park owners purchased the park at issue in the case. Following the 1999 amendment, mobile home park owners sued the city alleging that the ordinance violated the park owners' substantive due process rights, constituted an uncompensated regulatory taking, and constituted an improper private taking.

The court in MHC held that the ordinance did not constitute a regulatory taking. Similar to Guggenheim, the court emphasized that the property owners purchased the mobile home park <u>after</u> the mobile home rent control ordinance was in effect. As a result, with regard to the first two <u>Penn Central</u> factors the court explained that the property owners only experienced a slight diminution in value when the ordinance was amended in 1999, and at the time of purchasing the property the owners could <u>not</u> have had investment-backed expectations of collecting illegal amounts of rent in violation of the rent control ordinance. In addition, the court held that no private taking had occurred and the ordinance did not violate substantive due process because under rational basis review, the ordinance was rationally related to a conceivable public purpose.

5. Colony Cove Properties, LLC v. City of Carson (2018) 888 F. 3d 445

In the <u>Colony</u> case, the City of Carson adopted a rent control ordinance for mobile home parks in 1979. In 1998, the City adopted Implementation Guidelines in regard to the rent control ordinance including permitting consideration of a Gross Profits Maintenance

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Analysis ("GPM"). On April 4, 4006, Colony purchased a mobile home park in the City for \$23,050,000 and financed \$18,000,000 with an accompanying debt service. In October 2006, the City amended its Guidelines to permit the Board to consider "Maintenance of Net Operating Income Analysis ("MNOI") which did not include consideration of debt service expenses. In 2007 and again in 2008, Colony requested rent increases and the Board did not consider debt service expenses in calculating the approved rent increase. Colony filed a lawsuit against the City alleging a facial and as-applied takings and due process claims. Colony obtained a judgment against the City in the trial court in the amount of \$7,464,718.41. The City filed an appeal to the Ninth Circuit.

The Court in Colony discusses the issue of when a regulation constitutes a taking stating that judicial decisions considering regulatory takings claims are typically "characterized by essentially ad hoc, factual inquiries, designed to allow careful examination and weighing of all the relevant circumstances." (Page 450). The Court also notes, as in <u>Guggenheim</u> and <u>MHC</u>, that Colony purchased the mobile home park <u>after</u> the City had adopted a rent control ordinance stating (page 453): "As a general matter, an investor must account for 'the burden of rent control' in its expectations about future increased rental income." (Page 453). The Court reversed the trial court judgment finding the Board's denial of the Colony requested rent increases were not the functional equivalent of a direct appropriation of the property (page 455).

Thus, in cases of <u>Guggenheim</u> and <u>MHC</u> and <u>Colony</u>, the Ninth Circuit rejected the claims brought by the mobile home park owners. However, an important ground for the decisions in these cases was that the rent control ordinances for these cities had been enacted <u>before</u> the park owners had purchased the park. As stated in <u>Guggenheim</u>, the price paid for the park reflected the burden of rent control the owners would thereafter suffer. Likewise, in <u>MHC</u>, the Court notes there was a rent control ordinance in effect at the time the owners purchased the park so the owners could <u>not</u> have had investment-backed expectations of collecting illegal amounts of rent in violation of the rent control ordinance. In <u>Colony</u>, as noted, the Court confirmed that the investor must account for the "burden of rent control".

B. State Court Decisions

1. Kavanau v. Santa Monica Rent Control Board (1997) 16 Cal. 4th 761

In <u>Kavanau</u>, the California Supreme Court held that, in addition to the three <u>Penn Central</u> factors (noted above), there are ten (10) <u>additional</u> relevant factors that may be considered when determining whether a regulatory taking has occurred:

- (1) Whether the regulation interferes with interests that are sufficiently bound up with the reasonable expectations of the claimant to constitute "property" for Fifth Amendment purposes;
- (2) Whether the regulation affects the existing or traditional use of the property and thus interferes with the property owner's "primary expectation;"

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(3) The nature of the State's interest in the regulation and whether the regulation is reasonably necessary to the effectuation of a substantial public purpose;

- (4) Whether the property owner's holding is limited to the specific interest the regulation abrogates or is broader;
- (5) Whether the government is acquiring "resources to permit or facilitate uniquely public functions" such as government's "entrepreneurial operations;"
- (6) Whether the regulation permits the property owner to profit and to obtain a reasonable return on investment;
- (7) Whether the regulation provides the property owner benefits or rights that mitigate whatever financial burdens the law has imposed;
- (8) Whether the regulation prevents the best use of the land;
- (9) Whether the regulation extinguishes a fundamental attribute of ownership; and
- (10) Whether the government is demanding the property as a condition for the granting of a permit.

The Court in <u>Kavanau</u> (at p. 776) emphasized that this is not an exhaustive list of factors that may be relevant in evaluating a takings claim, and courts are not required to rigidly apply all factors in every case. Instead, courts should apply (or not apply) these factors as appropriate to the facts of the case.

2. <u>Besaro Mobile Home Park v. City of Fremont</u> (2012) 204 Cal. App. 4th 354

The court in <u>Besaro Mobile Home Park, LLC v. City of Fremont</u> (2012) 204 Cal. App. 4th 354 did address mobile home park issues. However, in <u>Besaro</u>, the park owner was not contending that owner had been denied on fair return on its investment:

Page 351: "Besaro did not take the position that the increase was necessary to provide a fair return on its investment in the property, but focused on the current market rents for mobile home spaces and on the possibility that the park would close if the rents were not increased."

Page 351: "David Berretta, the managing member of Besaro, testified that an increase in rent was not needed to provide a fair return on the historical investment in the property."

Page 358: "Besaro does not claim that it has been denied a fair return on its investment."

Page 362: "We emphasize again that Besaro does not claim it has been denied a fair return."

Furthermore, the Court made a factual finding in the <u>Besaro</u> case that the park owner was earning a fair return on its investment, see Page 359: "Here, the Ordinance

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has not had a confiscatory effect because Besaro is earning a fair return on its investment. Consequently, the application of the Ordinance does not violate Besaro's expectation of the right to use its property in a manner yielding a fair return."

Findings

There is no assurance that a Court would make the same finding as in <u>Besaro</u> regarding the fair return on investment if the City of Atascadero were to adopt a rent control ordinance.

In addition, as noted above in the discussion regarding the California Supreme Court case of <u>Kavanau</u>, the analysis by the courts on whether or not there has been a taking involves the weighing of the three <u>Penn Central</u> factors as well as consideration of the ten additional factors set forth in Kavanau.

IV. MOBILE HOME RENT STABILIZATION ORDINANCES IN CALIFORNIA

A. Statewide

Golden State Manufactured – Home Owners League, Inc. (GSMOL) prepared a list dated October 10, 2013 of California jurisdictions with mobile home park rent stabilization ordinances. See Attachment 4 which was provided by Bruce Stanton (attorney for GSMOL) at our request. This document lists 97 California jurisdictions consisting of 90 cities and 7 counties. Four of the cities have repealed their ordinances (Capitola, Delano, Hollister and Napa) which leaves 86 cities with ordinances out of the 482 cities in California which is about 18%. The document lists 7 counties out of 58 counties in California which is about 12%.

B. Stanislaus County

In 2006, the County of Stanislaus and the cities of Modesto, Ceres, Riverbank and Oakdale, formed an Ad Hoc Committee (the "Ad Hoc Committee") to look at options regarding mobile home rents. The Ad Hoc Committee was made up of elected officials from each jurisdiction. After several months of study, the County of Stanislaus decided not to adopt a rent stabilization ordinance and instead decided to work with the mobile park owners in an effort to address rent issues.

C. San Luis Obispo County

In San Luis Obispo County, there is the County and seven cities. The status of those cities, regarding rent stabilization ordinances and including the year of adoption, is as follows:

San Luis Obispo (County) – 1988 (Adopted by Voters)
Arroyo Grande – None (Repealed in 1998)
Atascadero – None
Grover Beach – Adopted 1987
Morro Bay –Adopted 1986

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Paso Robles - None

Pismo Beach - Adopted 1981

San Luis Obispo (City) – Adopted 1988

D. Adoption Since 2000

As noted, approximately 86 cities have adopted a rent stabilization ordinance and most of those ordinances were adopted before 1990. The cities which have adopted a rent stabilization ordinance since 2000 include the following:

Goleta -- 2002 (Adopted at time of incorporation based on the County of Santa Barbara code. See <u>Guggenheim</u> case discussed above).

Humboldt County -- 2016 (Adopted by voters).

Marina -- 2011

Modesto -- 2007

Santa Rosa -- 2004

Ukiah -- 2010

E. Repealed Rent Stabilization Ordinances

The following counties and cities had adopted a rent stabilization ordinance, but later repealed the ordinance:

Arroyo Grande - 1998

Capitola -- 2011

Delano -- 1994

Hollister -- 1994

Los Angeles County -- 1994

Ontario -- 1999

Napa -- 1985

Santa Cruz (City) – 2003

Westminster -- 1985

F. City of Arroyo Grande

With regard to the City of Arroyo Grande, see Attachment 5 which includes three Staff Reports (without attachments).

The September 23, 1997 Staff Report, describes the direction given to the City Attorney on February 25, 1997 to revise the City's rent stabilization ordinance and the subsequent distribution to interested parties of a draft ordinance to repeal and replace the City's rent control ordinance.

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The Staff Report on January 13, 1998, presented six options to the Council. According to the Staff Report, over the past year, staff spent approximately 100 hours working the program at a cost of over \$3000 not including the City Attorney's times.

On January 27, 1998, the Council repealed the rent stabilization ordinance.

V. MOBILE HOME PARKS IN ATASCADERO

PARK	YEAR	ADDRESS	SPACES	SGL	DBL	TPL	INFO
Rancho del Bordo	1974	10025 El Camino Real	128	7%	92.5%	.5%	Senior 55+ Park
							Residents with long term leases & are exempt from rent control
Hill Top Manor	1960	5715 Santa Cruz #66	61	60%	40%	0%	All ages
Lost Oak	1986	9191 San Diego Way	55	10%	90%	0%	All ages
Villa Margarita	1976	10995 El Camino Real	70	10%	79%	1%	Senior No complaints regarding rent
Camino Del Roble Estates	Unknown	1215 El Camino Road	62	22%	78%	0%	Senior No complaints regarding rent
Circle M	Unknown	8850 El Camino Road	23	99%	1%	0%	
TOTALS			399				

VI. STUDIES OF RENT STABILIZATION ORDINANCES

Some cities have retained consultants to study the issues regarding a rent stabilization ordinance. In fact, at least one city (City of Marina) retained two consultants to prepare reports on a possible rent stabilization ordinance. Due to the length of these reports, only sections and excerpts from the Staff Report have been included, as noted below.

A. Michael St. John

Attachment 6 includes excerpts from the December 2008 Report by Michael St. John which contains four recommendations, none of which include a rent stabilization ordinance. The four recommendations include: (1) A process to work out a cooperative solution; (2) a renegotiated memorandum of understand and a model lease; (3) the City should abandon a proposal to re-zone mobilehome parks and (4) consideration of a rent subsidy program funded by the park owners to address the income needs of the lowest income park residents.

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B. Kenneth Barr

Attachment 7 includes excerpts from the December 31, 2008 Report by Kenneth Barr including a Summary regarding the number of mobilehome parks, average space rents, purchase prices, lack of bargaining power of residents, income levels of park residents and other information. At page 33, a section commences with a number of recommendations. One of the recommendations (page 34) is the following: "Cities should not simply copy ordinances of other jurisdictions. Often provisions from other ordinances are copied verbatim without any understanding of their meaning or implications or how they operate in practice."

VII. COSTS ASSOCIATED WITH RENT STABILIZATION ORDINANCES

There are actual costs (City staff time, legal expenses & accounting expenses) which will be incurred with rent stabilization ordinances including, but not limited to, costs to study whether to adopt an ordinance, costs to draft an ordinance, and costs to administer the ordinance.

The County of Ventura has a rent stabilization ordinance and has reported that its administration costs are \$125,000 not including legal fees.

The City of Modesto adopted a rent stabilization ordinance effective October 4, 2007. Under the terms of the ordinance, if a mobile home park owner chose to participate in a voluntary lease program, those parks are exempt under Section 4-19.05 if the park entered into a Memorandum of Understanding (MOU) with the City. Under the MOU, the park owner must provide all mobile home owners and residents the opportunity to enter into an approved long term lease. There are nine mobile home parks in Modesto. Eight of the nine parks agreed to enter into the MOU. The long term leases allow for rent increases of up to 7 percent a year and a 15% increase when someone moves. According to newspaper reports, the City expected the costs for the program in the first year to be \$106,000 with some of the costs diminishing for future years.

The above described costs do not include liability exposure if a park owner files a takings lawsuit in the event a city adopts a rent stabilization ordinance claiming that there has been a taking of property without just compensation. In addition, as noted, a park owner can file a legal challenge against a city claiming the rent increase approved is not sufficient as in the <u>Colony Cove</u> case. In the event these legal challenges are successful, the City is exposed to liability for damages in potentially very significant amounts.

The costs for the administration of a rent stabilization ordinance can be partially offset by charging an annual fee to the park owner and an annual fee to the park residents which is collected by the park owner with the rent.

VIII. ENFORCEMENT

One of the issues to be addressed in regard to a rent stabilization ordinance is how to enforce the terms of the ordinance in the event of a violation.

One option is for the City to assume the cost for enforcing the code by pursuing a code enforcement process, including court proceedings if necessary.

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Another option is to treat the violation of the ordinance as a civil matter to be resolved by park owner and park residents. For example, the County of San Luis Obispo has this information on its website:

"Who enforces the state and local rent control laws?

Please be aware that neither the state Mobilehome Residency Law nor the County's Title 25 provide a mechanism for enforcement. Neither the State nor the county have the ability to impose a fine or a citation. A violation of the rent control laws is a civil matter, and the suffering party may use civil litigation to remove the violation. This applies whether there is a home owner who does not pay the space rent or a park manager who overcharges for the mobile home space. The County encourages alternative methods to be considered before engaging in legal action. Homeowners who fee that there has been a rent overcharge (in violation of the County's Title 25) can choose to pay the full rent amount 'under protest,' and continue working to resolve the matter outside of court."

IX. MORATORIUM

A city does have the ability to adopt a moratorium ordinance for a period of time to study a possible rent stabilization ordinance. The moratorium would be for an initial period of 45 days and could be extended, if circumstances warrant an extension, for 10.5 months and another extension of 12 months.

If the City were to adopt such an ordinance, there is a risk of a takings claim by a park owner. The general rule for whether a temporary moratorium is a "taking" depends on whether moratorium denies the property owner all viable economic use of the property, which is evaluated on a case-by-case basis. (See <u>Tahoe-Sierra Preservation</u> Council, Inc. v. Tahoe Regional Planning Agency (2002) 535 U.S. 302.)

For rent control regulations, the analysis depends upon whether the action denies the property owner a just and reasonable return. (Kavanau v. Santa Monica Rent Control Bd. (1977) 16 Cal.4th 761, 771.) Although the phrase "just and reasonable return" has never been specifically defined, courts consider relevant investor interests against the consumer interest to be protected. Relevant investor interests include whether the return is commensurate with returns on comparable investments, sufficient enough to attract capital, encourages good management and financial integrity, and fairly compensates investors for risks assumed. For example, if a property owner has a historic practice of increasing rents by 5%, and the moratorium eliminates this, then the property owner may argue that the moratorium is denying them the reasonably expected, just, and reasonable return that they had anticipated. Of course, a successful challenge will depend on the underlying facts for each challenging property owner.

The risk of a takings claim might be mitigated by including some exceptions for permissible rent increases during the moratorium. Other cities (Oakland, Santa Rosa) have included certain provisions that allow for controlled rent increases (tied to Consumer Price Index and other factors) to mitigate any arguments that the moratorium denies the property owner a just and reasonable rate of return during the period which the moratorium is effective.

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X. COUNTY OF EL DORADO MEMORANDUM

Bruce Stanton provided a copy of the County of El Dorado's Community Development Services Planning and Build Department Long Range Planning (Attachment 3) Memorandum submitted to the Board of Supervisors dated March 14, 2018 on the subject of Mobile Home Park Space Rent Stabilization. The El Dorado Memorandum addresses a number of issues relating to rent stabilization including the following.

A. <u>County Resources</u>

At page 7, the El Dorado Memorandum notes: "The preparation necessary for the Board to consider adoption of a countywide mobile home park rent stabilization ordinance would require a significant commitment of County resources to conduct surveys, analyze data, and conduct public and stakeholder meetings."

B. <u>Arguments For Rent Stabilization (Memorandum at page 9)</u>

- 1. Mobile home park rent stabilization provides relief to mobile home park tenants from excessive rent increases.
- 2. A shortage of mobile home spaces exists in the area causing artificial increase in rent space.
- 3. Mobile homes are costly and difficult to move.
- 4. Excessively high space rent drives down the prices of mobile homes should an owner elect to sell a mobile home.
- 5. High rental rates will more negatively impact seniors and other persons on fixed incomes.

C. Arguments Against Rent Stabilization (Memorandum at page 9)

- 1. Mobile home park rent rates should be left to adjust themselves by operation of market forces without government intervention.
- 2. Rent control imposes a severe and continuing burden on the landowner.
- Rent stabilization ordinances are technical and complicated, are costly to prepare, and implementation requires considerable staff time and public hearing time.
- Rent stabilization ordinances require administrative oversight thus requiring additional staff which must be managed, supervised and funded by a public entity.
- 5. Rent stabilization ordinances have been the subject of a great deal of litigation and public entity may incur substantial legal expenses and costs to defend a lawsuit.

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D. <u>Alternatives to Rent Stabilization (Memorandum</u> at page 9)

The El Dorado Memorandum has a section on Alternatives to Rent Stabilization (pages 10-11) which include: Model Leases and Memorandums of Understanding (MOU), Resident Assistant Programs (Space Rent Subsidy), conversion to resident ownership, County purchase of mobile home park to stabilize rents and purchase by non-profits.

E. Stanislaus County

The El Dorado Memorandum (page 10) references the 2008 Marina Mobile Home Report by Michael St. John and the case study of Stanislaus County which formed an Ad Hoc Committee to negotiate with a park ownership ground and those negotiations ultimately failed.

F. Conclusion of El Dorado Memorandum

The El Dorado Memorandum concludes (page 10) that "in the absence of local data, there is no compelling argument for or against a countywide RSO." In addition, the Memorandum lists 15 questions that should be answered if the County should provide direction to staff to move forward with a study for a countywide RSO.

At page 11, the El Dorado Memorandum concludes with this paragraph:

"Developing a countywide RSO will require an extensive amount of research and analysis and stakeholder engagement. The experience of other jurisdictions that have considered adopting a rent control ordinance, whether successfully or not, demonstrates that it is a long complicated process because housing insecurity stirs deep emotions, but at the same time, all stakeholders have legitimate and understandable concerns and arguments for and against this type of ordinance."

FISCAL IMPACT:

None at this time.

ATTACHMENTS:

- 1. County of San Luis Obispo Ordinance
- 2. City of Morro Bay Ordinance
- 3. El Dorado County Memorandum
- 4 GSMLO October 2013 list of CA Jurisdictions with Rent Control
- 5. City of Arroyo Grande Staff Reports
- 6. Excerpts from Michael St. John Report for City of Marina
- 7. Excerpts from Kenneth Barr Report for City of Marina

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COUNTY OF SAN LUIS OBISPO

Title 25 - MOBILEHOME RENT STABILIZATION

Chapter 25.01 - PURPOSE AND INTENT

• 25.01.010 - Purpose and intent.

(a)

There is presently within the County of San Luis Obispo a shortage of spaces for the location of existing mobilehomes. Because of this shortage, there is a very low vacancy rate and rents have been for several years, and are presently, rising rapidly and causing concern among a substantial number of San Luis Obispo County residents.

(b)

Mobilehome tenants, forced by the lack of suitable alternative housing, have had to pay the rent increases and thereby suffer a further reduction in their standard of living.

(c)

Because of the high cost and impracticability of moving mobilehomes, the potential for damage resulting therefrom, the requirements relating to the installation of mobilehomes, including permits, building requirements, landscaping and site preparation, the lack of alternative homesites for mobilehome residents and the substantial investment of mobilehome owners in such homes, it is necessary to protect the owners and occupiers of mobilehomes from unreasonable rent increases, while at the same time recognizing the need of park owners to receive a suitable profit on their property with rental income sufficient to cover increases in the costs of repair, insurance, maintenance, utilities, employee services, additional amenities, and other costs of operation, and to receive a fair return on their property.

(d)

It has been found that the present low vacancy rate and frequent rent increases are particularly hard upon and unfair to residents of mobilehome parks within the county. Large numbers of these residents are senior citizens and others on fixed incomes who installed their mobilehomes in the county when inflationary rent increases could not reasonably have been foreseen.

(e)

However, it is recognized that a rent stabilization ordinance must be fair and equitable for all parties and must provide appropriate incentives to mobilehome park operators to continue their parks' profitably, as well as to attract additional investors for new parks.

(Ord. 2342 § 4 (Exh. A) (part), 1988)

Chapter 25.02 - DEFINITIONS

• 25.02.010 - Definitions.

For the purpose of this title certain words and phrases used herein are defined as follows:

"Capital improvements" means those improvements that materially add to the value of the property and appreciably prolong its useful life or adapt it to new uses, and which may be amortized over the useful life of the improvement in accordance with the Internal Revenue Code and regulations issued pursuant thereto, provided that this definition shall be limited to capital improvements either approved by more than fifty percent of the tenants in the affected park or constructed to comply with the direction of a public agency.

Just and Reasonable Return on the Property. The phrase "just and reasonable return on the property" shall mean a return based upon the actual capital investment of the owner of the mobilehome park as of December 31, 1982, which will allow an efficient owner a rate of return, with adjustments for inflation or deflation, sufficient to enable the owner to maintain the same net profit as obtained in the year January 1, 1982 to December 31, 1982. The phrase "just and reasonable return on the property" for any mobilehome park completed after December 31, 1982, shall mean a return based upon the actual capital investment of the owner of the mobilehome park as of the date of completion, which will allow an efficient owner a rate of return, with adjustments for inflation or deflation, sufficient to enable the owner to maintain a reasonable profit. The phrase "just and reasonable return on the property" for any mobilehome park purchased after December 31, 1982, shall mean a return based upon the actual capital investment of the owner of the mobilehome park at the time of purchase which will allow an efficient owner a rate of return, with adjustments for inflation or deflation sufficient to enable the owner to maintain the same net profit as obtained in the first full fiscal year after the purchase.

"Mobilehome park" means an area of land which rents spaces for mobilehome dwelling units.

"Mobilehome park owner" or "owner" means the owner, lessor, operator or manager of a mobilehome park.

"Mobilehome park rent review board" or "board" means the mobilehome park rent review board established by this chapter.

"Mobilehome tenant" or "tenant" means any person entitled to occupy a mobilehome within a mobilehome park pursuant to ownership of the mobilehome or under a rental or lease agreement with the owner of the mobilehome.

"Rehabilitation work" means any renovation or repair work completed or in a mobilehome park performed in order to comply with the direction or order of a public agency or to repair damage resulting from fire, earthquake or other casualty.

"Space rent" means the consideration, including any security deposits, bonuses, benefits or gratuities, demanded or received in connection with the use and occupancy of a mobilehome space in a mobilehome park, or for housing services provided, but exclusive of any amount paid for the use of a mobilehome dwelling unit.

(Ord. 2342 § 4 (Exh. A) (part), 1988)

• Chapter 25.03 - EXEMPTIONS

• 25.03.010 - Exemptions.

The provisions of this chapter shall not apply to the following tenancies in mobilehome parks:

(1)

Mobilehome park spaces rented for nonresidential uses;

(2)

Mobilehome parks managed or operated by the United States Government, the State of California or the County of San Luis Obispo;

(4)

Tenancies which do not exceed an occupancy of twenty days and which do not contemplate an occupancy of more than twenty days;

(5)

Tenancies for which any federal or state law or regulation specifically prohibits rent regulation;

(5)

Tenancies covered by leases or contracts which provide for more than a month-to-month tenancy, but only for the duration of such lease or contract. Upon expiration of or other termination of any such lease or contract, this title shall immediately be applicable to the tenancy;

(6)

Mobilehome parks which sell lots for factory-built or manufactured housing, or which provide condominium ownership of such lots, even if one or more homes in the development are rented or leased out.

(Ord. 2342 § 4 (Exh. A) (part), 1988)

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• Chapter 25.04 - MOBILEHOME RENT REVIEW BOARD

• 25.04.010 - Mobilehome rent review board.

(a)

There is established a mobilehome rent review board consisting of three members who are elected county officials other than members of the board of supervisors.

(b)

There shall be three regular members and two alternate members to serve in the absence or disqualification of regular members.

(c)

The regular members shall be (1) the county assessor, (2) the county auditor and (3) the county clerk-recorder. The first alternate shall be county treasurer-tax collector-public administrator and the second alternate shall be the county sheriff-coroner.

(d)

The board members and the alternates shall be persons who are not connected with the mobilehome rental housing industry for their personal gain. None of the members or alternates shall be tenants of a mobilehome park or have any financial interest (as defined by state law) in any mobilehome park. The members and alternates shall file a declaration to this effect in the office of the county clerk.

(e)

Board members and alternates shall not be compensated for their services as such, but may receive reimbursements as provided by the board of supervisors for traveling and other expenses incurred while on official duty.

(f)

Terms of board members and alternates shall be the same as their term of office for their elected position.

(Ord. 2342 § 4 (Exh. A) (part), 1988)

• Chapter 25.05 - POWERS AND DUTIES OF THE BOARD

• 25.05.010 - Powers and duties of the board.

Within the limitations provided by law, the board shall have the following powers and duties:

(1)

To meet from time to time as required by the board of supervisors and to utilize the county offices, facilities and personnel as needed;

(2)

To receive, investigate, hold hearings on, and pass upon the issues relating to mobilehome park rent stabilization as set forth in this chapter, or to any decreases in, or charges for, services or facilities;

(3)

To make or conduct such independent hearings or investigations as may be appropriate to obtain such information as is necessary to carry out its duties;

(4)

To increase or decrease maximum rents upon completion of its hearings and investigations;

(5)

To render after every rent review hearing a written report to the board of supervisors concerning its activities, holdings, actions, results of hearing, and all other matters pertinent to this chapter which may be of interest to the board of supervisors;

(6)

To adopt, promulgate, amend and rescind administrative rules, as it deems appropriate to effectuate the purposes and policies of this chapter.

(Ord. 2342 § 4 (Exh. A) (part), 1988)

Chapter 25.06 - DETERMINATION OF BASE RENT AND ALLOWABLE INCREASES

• 25.06.010 - Determination of base rent and allowable increases.

(a)

(1)

Base Rent. The base rent for purposes of this chapter shall be the monthly space rent as of December 31, 1982. Any reduction in services or amenities after December 31, 1982, shall result in a corresponding decrease in rents.

(2)

Lease Expiration. Upon the expiration of any lease, the new space rent shall be the rent in effect at the expiration of such lease.

(b)

Except as otherwise provided in this chapter, the maximum monthly space rent may be increased no more than once a year by an increase over the then existing space rent equal to sixty percent of the cost of living increase (All Urban Consumers, Los Angeles, Long Beach,

Anaheim area as furnished by the Division of Labor Statistics and Research, State of California, Department of Industrial Relations) for the preceding twelve-month period.

(c)

Calculation of the one-year limitation on rental increases as provided herein shall be from the date the last increase became effective at the park.

(d)

No owner shall either (1) demand, accept or retain a rent from a tenant in excess of the maximum rent permitted by this chapter or (2) effect a prohibited rent increase by a reduction of general park facilities or services.

(Ord. 2342 § 4 (Exh. A) (part), 1988)

25.06.011 - Continued control of rents on change of ownership.

The maximum space rent may be increased by the park owner when there is a change of ownership of a mobilehome unit. However, such increase may not exceed ten percent of the previous space rent. Space rent increases are not restricted by this title for mobilehome spaces which become vacant due to a change of ownership and the relocation of a mobilehome unit outside of the mobilehome park. Nothing in this section shall preclude any adjustments as may be otherwise provided for in this title. (Measure F § 1, passed by voters 11-8-94)

• Chapter 25.07 - HARDSHIP EXCEPTION—APPLICATION

• 25.07.010 - Hardship exception—Application.

(a)

An owner who has been required to make extraordinary expenditures, or has incurred costs of such amounts that he will be unable to make a just and reasonable return on his property given the maximum increase permitted by the section above, may file with the board an application for a rent increase for one or more spaces or application to reduce, or charge for, certain services or facilities, in either event referred to hereinafter as "application" or "application for rent increase."

(b)

An application for rent increase pursuant to this section shall be accompanied by the payment of a fee of three hundred dollars. The application shall specify, as applicable, the address of the mobilehome park, the space number or numbers for which rent is requested to be increased, the amount of the requested rent increase or service or facilities reduction or charges, the proposed effective date of such increase, reduction or charge and the facts supporting the application. The applicant shall produce at the request of the board any records, receipts, reports or other documents that the board may deem necessary for the board to make a determination whether to approve the application.

(c)

The owner shall serve each affected tenant, either personally, or by mail, with notice of the rent increase or decrease or change in services or facilities requested and with notice that application or approval of same is being filed with the board. Proof of service complying with the title and all applicable state laws shall be filed with the board concurrent with the filing of the application. Copies of the application shall be available free of charge to any affected tenants requesting same at the business office in the affected park.

(d)

The board shall set a hearing on the application complying with the requirements of the section no less than ten days and no more than thirty days after receipt of the application and proof of service. The board shall notify the owner and tenants, in writing, of the time, place and date set for the hearing. No hearing or any part thereof may be continued beyond thirty days after the initial hearing date without the owner's consent. If the board approves an application as requested or as modified, the same shall take effect as noticed by the owner or as the board may otherwise direct.

(Ord. 2342 § 4 (Exh. A) (part), 1988)

• Chapter 25.08 - CONDUCT OF THE HEARING

• 25.08.010 - Conduct of the hearing.

(a)

All review hearings held by the board shall be conducted in accordance with the Ralph M. Brown Act, at Section 54950 et seq. of the California Government Code.

(b)

All interested parties to a hearing may have assistance from an attorney or such other person as may be designated by the parties in presenting evidence or in setting forth by argument their positions. All witnesses shall be sworn in and all testimony shall be under penalty of perjury.

(c)

In the event that either the owner or the tenant(s) should fail to appear at the hearing at the specified time and place, the board may hear and review such evidence as may be presented, and make such decisions as if all parties had been present.

(d)

Applicant and affected tenants may offer any relevant evidence and the formal rules of evidence shall not apply.

(e)

The board shall maintain a record of all proceedings by electronic recording or by use of a court reporter. Either the applicant or tenants will have the right to procure the services of a court reporter at their own expense to record and transcribe the proceedings.

(Ord. 2342 § 4 (Exh. A) (part), 1988)

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• Chapter 25.09 - STANDARDS OF REVIEW

25.09.010 - Standards of review.

In evaluating the application the board may consider, along with all other factors it considers relevant, changes in costs to the owner attributable to an increase or decrease in utility rates, property taxes, insurance, advertising, variable mortgage interest rates, employee costs, normal repair and maintenance, master land and/or facilities lease rent provided such lease to a bona fide third party existed prior to January 1, 1983, and other considerations, including, but not limited to, rehabilitation work, capital improvements, upgrading and addition of amenities or services, net operating income and the level of rent necessary to permit a just and reasonable return on the owner's property.

(Ord. 2342 § 4 (Exh. A) (part), 1988)

Chapter 25.10 - DECISION OF THE BOARD

• 25.10.010 - Decision of the board.

(a)

The board shall make a final decision no later than twenty days after the conclusion of its hearing. The board's decision shall be based on the preponderance of the evidence submitted at the hearing. The decision shall be based on findings. All parties to the hearing shall be advised by mail of the board's decision and findings.

(b)

Pursuant to its findings, the board may (1) permit the requested rent increase to become effective, in whole or in part, or (2) deny the requested rent increase, or (3) permit or deny, in whole or in part, requested reductions of or charges for, facilities or services.

(c)

Any decision of the board shall be final unless, within fifteen days after mailing of the decision and findings the owner or any affected tenant appeals the decision to the board of supervisors.

(Ord. 2342 § 4 (Exh. A) (part), 1988)

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Chapter 25.11 - APPEALS

• 25.11.010 - Appeals.

(a)

Any appeal from a decision of the board shall be filed with the county clerk. The date for consideration of the appeal shall be set by the county clerk no less than ten days nor more than thirty days after the expiration date for filing of an appeal. Notice of the date, time and place shall be given by the county clerk to the owner and all affected tenants.

(b)

At the time set for consideration of the appeal, the board of supervisors shall review and consider the record of board hearing and the decision and findings of the board. After review and consideration, the board of supervisors may either: (1) determine that a further hearing shall be held, to be conducted before the board of supervisors at the second regular meeting of the board of supervisors following the determination that such further hearing is necessary; or (2) ratify and adopt the decision and findings of the board. If a further hearing is conducted, the board of supervisors may, upon conclusion of the hearing, and in no event more than thirty days thereafter, modify, reverse or uphold the decision of the board, and shall make the findings in support thereof.

(Ord. 2342 § 4 (Exh. A) (part), 1988)

• Chapter 25.12 - TENANT'S RIGHT OF REFUSAL

• 25.12.010 - Tenant's right of refusal.

A tenant may refuse to pay any increase in rent not made in conformity with this chapter. Such refusal to pay shall be a defense in any action brought to recover possession of a mobilehome space or to collect the rent increase.

(Ord. 2342 § 4 (Exh. A) (part), 1988)

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Chapter 25.13 - RETALIATORY EVICTION

25.13.010 - Retaliatory eviction.

Notwithstanding <u>Section 25.12.010</u>, in any action brought to recover possession of a mobilehome space, the court may consider as grounds for denial any violation of any provisions of this title. Further, the determination that the action was brought in retaliation for the exercise of any rights conferred by this title shall be grounds for denial.

(Ord. 2342 § 4 (Exh. A) (part), 1988)

• Chapter 25.14 - OWNER TO PROVIDE COPY OF THIS TITLE

• 25.14.010 - Owner to provide copy of this title.

Any tenant offered a lease or contract which is accepted would come under the provisions of this act and shall be provided with a copy of this title by the mobilepark owner.

(Ord. 2342 § 4 (Exh. A) (part), 1988)

• Chapter 25.15 - SEVERABILITY

• 25.15.010 - Severability.

If any provision of any clause of this title or the application thereof to any person or circumstance is held to be unconstitutional or to be otherwise invalid by a final judgment of any court of competent jurisdiction, such invalidity shall not affect other provisions or clauses or applications thereof which can be implemented without the invalid provision or clause or application, and to this end, the provisions and clauses of this title are declared to be severable.

(Ord. 2342 § 4 (Exh. A) (part), 1988)

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ORDINANCE NO. 499
AN ORDINANCE OF THE CITY OF MORRO BAY
REPEALING, AMENDING, AND REENACTING
CHAPTER 5.32 OF THE MORRO BAY MUNICIPAL CODE
(MOBILEHOME AND RECREATIONAL VEHICLE
PARK RENT STABILIZATION ORDINANCE)

THE CITY COUNCIL CITY OF MORRO BAY, CALIFORNIA

WHEREAS, in November 1986, the City Council adopted Ordinance No. 294 which codified the Mobilehome and Recreational Vehicle Park Rent Stabilization Ordinance as contained in Chapter 5.32 of the Morro Bay Municipal Code; and

WHEREAS, in April 2003, the City Council authorized the creation of an Ad Hoc Subcommittee to review the aforementioned Mobilehome and Recreational Vehicle Park Rent Stabilization Ordinance; and

WHEREAS, such Ad Hoc Subcommittee consisted of ten voting members, five of whom were selected by park owners and five of whom were selected by park residents; and

WHEREAS, the Ad Hoc Subcommittee met fifteen times and made numerous recommendations for changes to the existing Mobilehome and Recreational Vehicle Park Rent Stabilization Ordinance; and

WHEREAS, all ten members of the Ad Hoc Subcommittee unanimously approved the final draft of the attached revisions to the Mobilehome and Recreational Vehicle Park Rent Stabilization Ordinance, Chapter 5.32 of the Morro Bay Municipal Code; and

WHEREAS, City Council desires to implement the revisions to the Mobilehome and Recreational Vehicle Park Rent Stabilization Ordinance, Chapter 5.32 of the Morro Bay Municipal Code

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORRO BAY DOES ORDAIN AS FOLLOWS:

Chapter 5.32 of the Morro Bay Municipal Code is hereby repealed, amended, and reenacted to read as follows:

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INTRODUCED at the regular meeting of the City Council held on the 8th day of December 2003, by motion of Councilmember Peters and seconded by Councilmember Winholtz.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Morro Bay on the 12th day of January 2004, by the following vote to wit:

AYES:

Elliott, Peirce, Peters, Winholtz, Yates

NOES:

None

ABSENT:

None

ATTEST:

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ATTACHMENT:

Chapter 5.32

MOBILEHOME AND RECREATIONAL VEHICLE PARK RENT STABILIZATION

Sections:	
5.32.010	Findings and purpose.
5.32.020	Definitions.
5.32.030	Exemptions.
5.32.040	Mobilehome rent review board—Established—Members—Terms.
5.32.050	Mobilehome rent review board—Powers and duties.
5.32.060	Residential rent increase limitations.
5.32.070	Increases upon change of occupancy.
5.32.080	Information to be supplied to tenants.
5.32.090	The rent dispute resolution process.
5.32.100	Standards of reasonableness to be applied to rent increases.
5.32.110	Obligations of the parties.
5.32.120	Rights of a "tenant-to-be."
5.32.130	Tenants' right of refusal.
5.32.140	Retaliatory acts—Tenants' right to organize.
5.32.150	Solicitation of any petition by the park owner is without force or legal effect within
	city's program.
5.32.160	Nonwaiverability.
5.32.170	Penalties and remedies.
5.32.180	Rights of affected tenants reserved.
5.32.190	Tenant complaints.
5.32.200	Severability.

5.32.010 Findings and purpose.

In November 1986, the city council adopted Ordinance No. 294, a mobilehome and recreational vehicle park rent stabilization ordinance providing a formula for maximum annual rent increases and providing a procedure for hardship exceptions, the provisions of which were set forth in former Chapter 5.32 of this code. The findings and purpose set forth in Ordinance No. 294 referred to the following conditions:

- A. There is presently within the city a shortage of spaces for the location of existing mobilehomes and recreational vehicles. Because of this shortage, there is a very low vacancy rate.
- B. Within the city there are a number of persons who reside permanently in units which today meet the legal definitions of recreational vehicles. Often these persons subsist on low fixed incomes and are unable to afford standard housing.
- C. Because of the high cost and impracticability of moving mobilehomes, the potential for damage resulting therefrom, the requirements relating to the installation of mobilehomes, including permits, building requirements, landscaping and site preparation, the lack of alternative home sites for mobilehome residents, and the substantial investment of mobilehome owners in such homes, it is necessary to protect the owners of mobilehomes from unreasonable rent increases, while at the same time recognizing the need of park owners to receive a suitable profit on their property with rental income sufficient to cover increases in the costs of repair, insurance, maintenance, utilities, employee services, additional amenities, and other costs of operation, and to receive a fair return on their property.

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D. However, it is recognized that a rent stabilization ordinance must be fair and equitable for all parties and must provide appropriate incentives for mobilehome park operators to continue their parks profitably and to upgrade and improve mobilehome parks, as well as to attract additional investors for new parks.

In April of 2003, the city council established a mobilehome rent stabilization subcommittee to review and consider amendments to the ordinance. The subcommittee consisted of ten members: five park owners and five tenants. The subcommittee held fifteen meetings to consider changes to the ordinance and received public comment. At the end of the meetings the subcommittee unanimously approved the recommended changes to the ordinance and submitted them to the city council.

The city council hereby finds that the conditions stated in subsections A through D of this section still exist; therefore, the purpose of the city council in enacting these provisions is: to prevent an exploitation of the shortage in vacant mobilehome spaces in the city, to preserve affordable housing as prescribed by the city's general plan/housing element, to provide mobilehome park owners a guaranteed rate of annual space rent increase that more accurately reflects the rate of inflation given their usual expenses, and to establish an improved process for providing mobilehome park owners a fair return on their property in those cases where the guaranteed annual space rent increase provided by these provisions proves to be insufficient. (Ord. 499 (part), 2004)

5.32.020 Definitions.

For the purposes of this chapter, certain words and phrases are defined as follows:

"Affected tenants" means those tenants whose space is not covered by a valid lease meeting the requirements as outlined in Section 798.17(b) of the California Civil Code or otherwise legally exempt from local rent control regulation as set forth in Section 798.21, or as set forth in Section 5.32.030 of this chapter. Affected tenants are to be notified that a space rent increase is to become effective. For purposes of providing notice of the increase, each space subject to a rental increase shall be deemed to have only one "affected tenant" for administrative convenience to the park owners. The reference to "all affected tenants" will refer to one representative tenant from each space subject to the proposed rental increase.

"Base rent" means the authorized space rent plus any rent increase allowed under Section 5.32.060 or any rent adjustment attributable to an increase upon change of occupancy as provided in Section 5.32.070. Base rent does not include rent increases for capital expenses or capital improvements.

"Capital improvements" means those improvements that materially add to the value of the property and appreciably prolong its useful life or adapt it to new uses, and which may be amortized over the useful remaining life of the improvement to the property. The term "capital improvements" does not include those costs associated with the normal maintenance and upkeep of facilities and premises which were reasonably intended to be part of consideration provided by the mobilehome park as rent. Substantial rehabilitation of the park that is necessitated as a result of the park owner's neglect, permissive waste, deferred maintenance or acts of God shall not be regarded to be capital improvements to the extent that they restore facilities and premises to the conditions reasonably bargained for by the mobilehome park tenants. Proposed capital improvements claims must set forth an amortization table spreading the cost of the improvement over its proven useful life. Rents based on such costs, if approved, must be separately itemized on the monthly rent invoice. In addition, the beginning date upon which such rents may be imposed and the ending date upon which such rents may no longer be imposed, must be stated on each monthly rent invoice submitted during the time such rents are charged to the tenant. Monthly rent shall be decreased for such amortized capital improvement expenses at the end of the amortization period. Failure to do so shall be regarded to be an unauthorized increase in rent. Capital improvements must be for the primary benefit, use and enjoyment of the tenants of the entire park, and costs must be allocated over all beneficiaries of the improvement.

"City manager" means the city manager of the city of Morro Bay or his or her designee.

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"Consumer Price Index" means the Consumer Price Index for All Urban Consumers Los Angeles, Long Beach, Anaheim Area, published by the U.S. Department of Labor, Bureau of Labor Statistics.

"Debt service costs" means the periodic payment or payments due under any security or financing device which is applicable to the mobilehome park including any fees, commissions, or other charges incurred in obtaining such financing.

"Housing service" means a service provided by the owner related to the use or occupancy of a mobilehome space, which is neither a capital improvement nor substantial rehabilitation as those terms are defined in this chapter, including but not limited to, repairs, replacement, maintenance, painting, lighting, heat, water, laundry facilities, refuse removal, recreational facilities, parking, security service, and employee services.

"Just and reasonable return on the property" means there is a range of rents which could be allowed in any one mobilehome park subject to this chapter, all of which could be characterized as allowing a "just and reasonable return." There is no one precise formulation; rather, there are a variety of formulations which produce a zone of reasonableness.

"Maintenance and operation expenses" means all expenses incurred in the operation and maintenance of the mobilehome park, including but not limited to: real estate taxes, business taxes and fees, insurance, sewer service charges, utilities, janitorial services, professional property management fees, pool maintenance, exterior building and grounds maintenance, supplies, equipment, refuse removal, and security services or systems.

"Mobilehome" means a structure designed for human habitation as defined by Section 798.3 of the California Civil Code, provided, however, that recreational vehicles, as defined in Section 799.29 of the California Civil Code and Section 18010 of the California Health and Safety Code, which have occupied the same mobilehome or recreational vehicle park space continuously for nine months or more shall be considered mobilehomes.

"Mobilehome park" or "recreational vehicle (RV) park" means an area of land where two or more mobilehome or RV sites are rented, or held out for rent, to accommodate mobilehomes or RVs used for human habitation. This rent stabilization chapter shall apply to those spaces in recreational vehicle parks that are continuously occupied by an affected tenant for nine months or longer.

"Mobilehome park owner" or "owner" means the owner, lessor, operator or manager of a mobilehome park.

"Mobilehome rent review board" or "board" means the mobilehome rent review board established by this chapter.

"Mobilehome space" means any site within a mobilehome park located in the incorporated areas of the city intended, designed, or used for the location or accommodation of a mobilehome and any accessory structures or appurtenances attached thereto or used in conjunction therewith except "new construction" as defined by Civil Code Section 798.45. The term "mobilehome space" shall also include, for purposes of this rent stabilization ordinance, rentable spaces within mobilehome parks which have been occupied by a "recreational vehicle" as defined by Civil Code Section 799.29 continuously for a period of nine months or more.

"Mobilehome tenant" or "tenant" means any person entitled to occupy a mobilehome within a mobilehome park pursuant to ownership of the mobilehome.

"Net operating income" means gross income less operating expenses. All operating expenses must be reasonable. Whenever a particular expense exceeds the normal industry or other comparable standard, the park owner shall bear the burden of proving the reasonableness of the expense. To the extent that the board finds any such expense to be unreasonable, the board shall adjust the expense to reflect the normal industry or other comparable standard.

"Nonpermanent resident" means any tenant who does not meet the criteria set forth for a permanent resident.

"Party" means any affected mobilehome tenant and/or owner involved in proceedings under this chapter.

"Percent change in Consumer Price Index" means the annual percent change in the Consumer Price Index ("CPI"), calculated to the nearest tenth, for the twelve-month period from September through August.

"Permanent resident" means any person who manifests intent to live or be located in a mobilehome park on more than a temporary or transient basis. Presence in a mobilehome park for two hundred seventy days or more in any twelve-month period shall establish permanent residence, or meeting at least half of the following criteria shall establish permanent residence within a mobilehome park:

- 1. Address where registered to vote:
- 2. Location of employment or place of business:
- 3. Attendance of dependents at a primary or secondary school;
- 4. Not receiving a homeowner's exemption for another property or mobilehome in this state nor having a principal residence in another state;
 - 5. DMV license address;
 - 6. Mailing address:
 - 7. Vehicle insurance address:
 - 8. Bank account:
 - 9. IRS address;
 - 10. Local club/association membership.

"Rent increase" means any additional space rent demanded of or paid by a tenant for a mobilehome space including any reduction in housing services without a corresponding reduction in the amount demanded or paid for rent.

"Space rent" means the consideration, including any bonus, benefit, or gratuity, demanded or received by a mobilehome park owner for or in connection with the use or occupancy of a mobilehome space or any housing services provided with the mobilehome space, but exclusive of (1) any amount paid for the use of the mobilehome, (2) security deposits and special amortized or limited rent increases. (3) user fees for services or facilities which may be utilized at the option of the affected tenant and are not included in monthly space rent, and (4) utility charges for those mobilehome parks which charge affected tenants separately, whether or not the mobilehome homes are individually metered.

"Substantial rehabilitation" means that work done by an owner to a mobilehome space or to the common areas of the mobilehome park, exclusive of a capital improvement as that term is defined in this chapter, the value of which exceeds two hundred dollars and which is performed whether to secure compliance with any state or local law or to repair damage resulting from fire, earthquake, or other casualty or natural disaster, to the extent such work is not reimbursed by insurance.

"Tenant-to-be" means a person who is not currently a tenant in a mobilehome park but is a prospective mobilehome space tenant who desires the use of a mobilehome space as defined in this chapter and has presented himself or herself to the park owner as such and who would not be exempt under any of the provisions set forth in Section 5.32.030. (Ord. 499 (part), 2004)

5.32.030 Exemptions.

The provisions of this chapter shall not apply to the following tenancies in mobilehome parks:

- Mobilehome park spaces rented for nonresidential uses;
- B. Mobilehome parks managed or operated by the United States Government, the state of California, or the county of San Luis Obispo:
- C. Tenancies which do not exceed an occupancy of thirty days and which do not contemplate an occupancy of more than thirty days;

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D. Tenancies exempt from rent regulation by federal or state law or regulation, including but not limited to, tenancies governed by Civil Code Sections 798.17 rental agreements and 798.21 not principal residence;

- E. Mobilehome parks which sell lots for factory-built or manufactured housing, or which provide condominium ownership of such lots, even if one or more homes in the development are rented or leased out.
 - F. Mobilehomes that are owned by the park owner.
- G. Spaces that are vacant or become vacant after the effective date of the ordinance codified in this chapter are, upon subsequent occupancy, exempt from this chapter. "Vacant," for the purposes of this section, means that the park owner has lawfully obtained the rights to occupancy of a space through, for example, the purchase of a mobilehome from a mobilehome owner, eviction or abandonment. This exemption does not apply if an affected tenant sells to a third party. This exemption shall apply only where the park owner, prior to entering into a rental or lease arrangement with subsequent homeowners, gives written notice that the unit or space is not subject to Morro Bay Municipal Code 5.32. The notice shall be in substantially the following form:

THE MOBILEHOME SPACE OR UNIT SPECIFIED BELOW IS NOT SUBJECT TO RENT CONTROL UNDER THE MORRO BAY MUNICIPAL CODE. BECAUSE THE MOBILEHOME SPACE OR UNIT SPECIFIED BELOW IS NOT SUBJECT TO RENT CONTROL, THE LANDLORD MAY RAISE THE RENT WITHOUT ANY LIMITATION OR REVIEW BY THE CITY OR OTHER GOVERNMENT OR ADMINISTRATIVE AGENCY. YOU ARE SOLELY RESPONSIBLE FOR INFORMING YOURSELF OF YOUR RIGHTS AND OBLIGATIONS IN THIS MATTER AND FOR PROTECTING YOURSELF AGAINST FUTURE RENT INCREASES. I HEREBY ACKNOWLEDGE THAT I HAVE READ AND HAVE RECEIVED A FULLY COMPLETED COPY OF THIS NOTICE PRIOR TO ENTERING INTO A RENTAL OR LEASE ARRANGEMENT INVOLVING THE BELOW DESCRIBED MOBILEHOME SPACE OR UNIT.

(Ord. 499 (part), 2004)

5.32.040 Mobilehome rent review board—Established—Members—Terms.

- A. There is established a mobilehome rent review board consisting of seven members.
- B. The city manager shall appoint a staff member to be liaison and secretary to facilitate the formation of the board. The secretary shall maintain an accurate public record of the activities and official actions of the board.
- C. The mobilehome rent review board shall be comprised of: two Morro Bay mobilehome park owners; two Morro Bay mobilehome affected tenants (one permanent and one nonpermanent); and three individual members residing in San Luis Obispo County who are neither mobilehome park owners nor mobilehome tenants, nor have any financial interest (as defined by state law) in any mobilehome park. The first four board members shall be chosen by lottery from a list of candidates. The first four board members shall not have a stake or financial interest in the dispute. The list of candidates shall include all park owners and any affected tenants who have volunteered to serve on the board. The three at-large members shall be mutually acceptable to the first four members.
- D. Board members shall not be compensated for their services as such, but may receive reimbursements as provided by the city budget for traveling.
- E. The formation of the board shall occur upon receipt of a written petition as set forth in Section 5.32.090 and shall continue until a formal written statement of decision is rendered by the board. (Ord. 499 (part), 2004)

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5.32.050 Mobilehome rent review board—Powers and duties.

Within the limitations provided by law, the board shall have the following powers and duties:

A. To receive, investigate, hold hearings on and render opinions upon a dispute relating to this mobile-home and recreational vehicle park rent stabilization ordinance;

- B. To make or conduct such independent hearings or investigations as may be appropriate to obtain such information as necessary to carry out its duties; and
- C. To render after every rent review hearing a written report concerning its activities, holdings, actions, results of hearing, and all other matters pertinent to this chapter which may be of interest to the public in general. (Ord. 499 (part), 2004)

5.32.060 Residential rent increase limitations.

A. Except as provided in subsections C and D of this section, from and after the effective date of the ordinance codified in this chapter, the space rent payable for use or occupancy of any mobilehome space shall not be increased within twelve months of the effective date of any preceding rent increase.

Base rent increase shall not exceed:

- 1. Seventy-five percent of the percent change in the Consumer Price Index for permanent residents; or
- 2. One hundred twenty-five percent of the percent change in the Consumer Price Index for nonpermanent residents who are not exempt from this chapter pursuant to Civil Code Section 798.21.
- B. Any dispute as to whether an affected tenant is a permanent or nonpermanent resident or is exempt from this chapter pursuant to Civil Code Section 798.21 shall be resolved pursuant to Section 5.32.190 and the tenant shall have the burden of proof to prove that he or she is a permanent resident or is not exempt from this chapter.
- C. An owner shall be exempt from this section and the need to meet and confer as set forth in Section 5.32.090 if the owner is able to obtain written consent of sixty-six percent of all the affected tenants in the park agreeing to the increase in space rent to an amount greater than allowed in this chapter once each year.
- D. In the event an owner wishes to increase the rent payable for any mobilehome space within the twelve-month period more than the amount permitted in subsection A of this section and the owner cannot obtain the consent of sixty-six percent of the affected tenants, a mandatory meet-and-confer meeting shall automatically be required to show good cause why such an increase is necessary.
- E. Any notice of rent increase given by an owner pursuant to this section shall be given in writing at least ninety days before any rent increase is to take effect.
- F. A notice of rent increase incorporating within it a proposed or completed capital improvement which is not otherwise authorized as a pass-through pursuant to Civil Code Section 798.49 must be claimed within twelve months of the completion of the project or construction or the owner's receipt of the final billing for same, whichever occurs later. (Ord. 499 (part), 2004)

5.32.070 Increases upon change of occupancy.

Notwithstanding the twelve-month limitation set forth in Section 5.32.060, upon change of occupancy of a mobilehome, the rent increase upon sale shall be limited to:

For affected tenants who are permanent residents, ten percent of the current existing space rent or the average of the lowest and highest space rent for all the affected tenants of that particular park, whichever is greater.

For affected tenants who are nonpermanent residents, fifteen percent of the current existing space rent or the average of the lowest and highest space rent for all the affected tenants of that particular park, whichever is greater.

Resident status pertains to the selling tenant, not the tenant-to-be.

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The limitations of this increase shall not apply if change in occupancy is due to the involuntary eviction of a tenant.

No rent increase under this section shall be allowed due to the death of the tenant wherein the deceased tenant's spouse, parents or children take over the occupancy. (Ord. 499 (part), 2004)

5.32.080 Information to be supplied to tenants.

- A. Within thirty days after the effective date of the ordinance codified in this chapter and prior to the rerenting of each mobilehome space thereafter, the owner shall supply each affected tenant with a current copy of this chapter.
- B. Whenever the owner serves a notice of rent increase, except a notice of rent increase provided pursuant to Sections 5.32.060(A), (C), or (D) or 5.32.070, the owner shall at the same time and in the same manner serve the affected tenant with a notice that sets forth all of the following information:
- 1. The amount of the rent increase both in dollars and as a percentage of existing rent and documentation supporting the level of increase desired;
 - 2. The identity of all other affected tenants and the spaces that they rent;
- 3. The park owner shall place on file with the city manager two copies of documentation supporting the level of increase desired.
- C. An owner failing to provide an affected tenant and the city manager with the notices required by this section shall not be entitled to collect any rent increase otherwise authorized by this chapter from that tenant. (Ord. 499 (part), 2004)

5.32.090 The rent dispute resolution process.

- A. Mandatory Meet-and-Confer Meeting. Except when a park owner elects rent increases permitted under Section 5.32.060(A) or is able to obtain written consent of sixty-six percent of the tenants as set forth in Section 5.32.060(C), the tenants and park owners must, within thirty working days of the notice of rent increase, meet and confer with each other's representatives. Written notice of the time, place and date of the meeting should be arranged within fourteen days of the notice of rent increase. If the park owners or tenants fail to agree on the time, place and date of the hearing and to provide due notice to the city manager, the meeting shall be set at the convenience of the city manager. At the meeting, representatives of the parties should exchange documentary evidence that the parties in good faith then know will be used to support their respective positions in any rent review board hearing and discuss the issues in dispute. In the case of a park owner, all financial data upon which any proposed increase is claimed shall be supplied to tenant representatives at the time of the meet-and-confer meeting.
- 1. Meet-and-Confer Information. The park owner has a duty and burden to provide adequate information in regard to the rental increase to allow the tenants to make a reasonably sophisticated inquiry into the requested rental increase.
- B. Petition. If discussions between owner and tenants do not resolve the dispute between them, the tenants or their representative shall file with the city manager a petition for space rent review and a copy of the notice of rent increase within thirty days of the meet-and-confer meeting. The city manager shall not accept a petition for filing unless it has been signed by at least fifty-one percent of the affected tenants who are subject to the rent increase. Upon the filing of a petition, the rent increase is not effective and may not be collected until and to the extent it is awarded by the board or until the petition is abandoned. As used in this chapter, the term "abandoned" refers to lack of prosecution of the arbitration by the mobilehome tenants' representative(s). The term "prosecution" refers to actively pursuing necessary steps toward preparing the tenants' case for the arbitration hearing.

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C. Contents of Petition.

- 1. The petition for space rent review shall set forth the total number of affected rented spaces in the mobilehome park, shall identify the space occupied by each tenant and shall state the date upon which the notice of the rent increase was received by the tenant(s).
- 2. After obtaining the required signatures, the tenant(s) shall deliver the petition or mail it by registered or certified mail to the city manager at the following address: 595 Harbor Street, Morro Bay, California 93442 (or other address as determined by the city manager). No petition shall be accepted unless it is accompanied by the requisite number of signatures and is received in the office of the city manager within the thirty-day period set forth in subsection B of this section. The city manager shall provide a copy of the completed petition form to both parties forthwith or within five working days of the petition's receipt.
- D. Assignment to Board and Hearing Date. Upon receipt of the petition, or upon notice of any other dispute that requires board resolution, the city manager shall, within thirty working days, commission a mobile-home rent review board as established by Section 5.32.040. The owner and affected tenant(s) shall be notified immediately in writing by the city manager of the date, time, and place of the hearing and this notice shall be served either in person or by ordinary mail.
 - E. Rent Review Board Hearing.
- 1. The owner and tenant(s) may appear at the hearing and offer oral and documentary evidence. Both the owner and tenant(s) may designate up to three representatives to appear for them at the hearing. The board may grant or order one continuance not to exceed five days to each party from the date of the hearing. The burden of proving that the amount of rent increase is reasonable shall be on the owner by a preponderance of the evidence. The hearing need not be conducted according to technical rules relating to evidence and witnesses. The rules of evidence and manner of producing evidence shall be those rules set forth in Section 11513 of the California Government Code for the conduct of hearings under the Administrative Procedure Act. These rules may be relaxed at the discretion of the board in the interests of justice. The board shall have the ability to close the hearing to the general public if confidential financial information may be disclosed during the hearing.
- 2. The board shall, within fourteen days of the hearing, submit by mail a written statement of decision and the reasons for the decision to the city manager who shall forthwith distribute by mail copies of the decision to the owner and tenant(s). The board shall determine the amount of rent increase, if any, which is reasonable based upon all the provisions of this chapter.
- 3. Excluding rent increases permitted under Sections 5.32.060(A) and 5.32.070, the board shall not allow more than one rent increase per park per twelve-month period.
- 4. The decision of the board, rendered in accordance with this section, shall be final and binding upon the owner and all affected tenants. The decision of the board will be subject to the provision of Code of Civil Procedure Section 1094.5.
- 5. Any party may have electronic recording equipment or a court reporter present to record and prepare a transcript of the hearing before the board; however, such equipment or reporter shall be provided at that party's own expense.
- 6. The board is authorized to modify the basic time periods set forth in this chapter at its discretion to promote the purposes of this program provided a final decision is rendered within ninety days of the notice of rent increase.
- 7. Any procedural or jurisdictional dispute regarding the processes set forth in this chapter may be decided by the board. (Ord. 499 (part), 2004)

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5.32.100 Standards of reasonableness to be applied to rent increases.

A. The board shall determine whether rent increases that exceed Section 5.32.060(A) are reasonable under the circumstances, taking into consideration that the purpose of this chapter is to protect home owners from arbitrary, capricious, or unreasonable rent increases, and at the same time permit park owners to receive a just and reasonable return on their investment. The board, in making the determination, may, but is not required to, look at the following standards:

- 1. Beneficial increases in maintenance and operating expenses, including but not limited to the reasonable value of the owner's labor and any increased costs for services provided by a public agency, public utility, or quasi-public agency or utility;
- 2. The substantial rehabilitation or the addition of capital improvements, including the reasonable value of the owner's labor, as long as such rehabilitation or improvement has been completed and is:
 - a. Distinguished from ordinary repair or maintenance,
 - b. For the primary benefit, use, and enjoyment of the tenants.
 - c. Permanently fixed in place or relatively immobile and dedicated to the use of the property,
 - d. Not coin-operated nor one for which a "use fee" or other charge is imposed on tenants for its use,
- e. Cost-factored and amortized over the good faith estimate of the remaining useful life of the rehabilitation or improvement, and
- f. Does not constitute maintenance of the infrastructure of gas or electrical lines within the mobilehome park for which the public utility has permitted the park owner a special premium with the intent that it be used to replace or otherwise maintain the system within the mobilehome park;
 - 3. The rental history of the mobilehome park;
- 4. The occupancy rate of the mobilehome park in comparison to comparable parks in the same general area;
 - 5. Existing rents for spaces in other Morro Bay mobilehome parks:
- 6. The physical condition of the mobilehome park, including the quantity and quality of maintenance and repairs performed during the last twelve months, provided, however, that if the home owners raise a lack of maintenance or physical deterioration as an issue, the board shall also consider to what extent the home owners notified the park owner of the physical condition, and to what extent the home owners gave the park owner a reasonable opportunity to cure the physical condition;
- 7. Any increases or reduction in housing services during the twelve months prior to the effective date of the proposed rent increase:
 - 8. Debt service costs used for the servicing of existing debt;
- 9. Debt Service Costs Due to Refinancing. If the refinancing is used for extracting equity from the park, the rent increase shall be deemed unreasonable, and the rent increase shall not be allowed. The board may also require that the debt service costs be amortized over a period of years which is determined by the board to be reasonable:
 - 10. A decrease in "net operating income" as defined in Section 5.32.020(P);
- 11. A decrease in the owner's "just and reasonable return on the property" as defined in Section 5.32.020(H):
 - 12. Other financial information that the owner is willing to provide:
- 13. Any costs incurred as a result of a natural disaster and only to the extent such costs have not been reimbursed to the owner by insurance or other sources and where such costs could not have been prevented by normal maintenance and repair.
- B. In any determination of what constitutes a reasonable rent increase under the circumstances, the board shall consider and weigh evidence establishing the nature and extent of any existing and/or outstanding

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violations by either the park owners or home owners. Any rent increase or decrease may be disallowed, reduced, or made subject to reasonable conditions, depending on the severity of such violations.

C. Changes in ownership of the park after the effective date of this chapter shall not entitle any succeeding park owner to higher rents than would have been paid if the original owner had remained the park owner without board approval. (Ord. 499 (part), 2004)

5.32.110 Obligations of the parties.

- A. If a final decision by the board finds that a proposed increase or any portion thereof that was previously inoperative is justified, the tenant shall pay the amount found justified to the owner within thirty days after the decision is made or as otherwise ordered by the board.
- B. If a final decision by the board finds that an increase or any portion thereof is not justified, the owner shall refund any amount found to be unjustified, but that had been paid, to the tenant within thirty days after the decision is made or as otherwise ordered by the board. If such refund is not made within the applicable time period, the tenant may withhold the amount from the next space rent(s) due until the full amount of the refund has been made. Notwithstanding the foregoing, in the event that the tenancy of tenant is terminated for any reason prior to full credit against rent, the balance of the credit due the tenant shall be paid by the owner within thirty days from the date of the termination of the tenancy.
- C. Any sum of money that under the provisions of this section is the obligation of the owner or tenant, as the case may be, shall constitute a debt and, subject to the foregoing provisions of this section, may be collected in any manner provided by law for the collection of debts. (Ord. 499 (part), 2004)

5.32.120 Rights of a "tenant-to-be."

Any person who is a "tenant-to-be" as defined in Section 5.32.020(X) must be offered the option of renting a mobilehome space in a manner which will permit the tenant-to-be to receive the benefits of the mobilehome space rent stabilization program described in this chapter, which includes, but is not limited to, rental of a mobilehome space on a month-to-month basis, and a new base rent. Such a person cannot be denied the option of a tenancy twelve months or less in duration. The park owner shall provide each "tenant-to-be" with a written notification of the option which shall make the following recitation:

UNDER MORRO BAY MUNICIPAL CODE SECTION 5.32 YOU ARE LEGALLY ENTITLED TO ELECT A MONTH-TO-MONTH TENANCY OVER ANY OTHER LONGER PERIODIC TENANCY. YOU ARE ADVISED THAT YOU MAY NOT BE ENTITLED TO RENT STABILIZATION (RENT CONTROL) PROGRAM BENEFITS IF YOU ELECT A LEASE OF MORE THAN TWELVE MONTHS IN DURATION IF THAT LEASE MEETS THE REQUIREMENTS OF CIVIL CODE SECTION 798.17 WHICH HAS BEEN ATTACHED HERETO.

Any effort to circumvent the requirements of this section is unlawful, as well as an unfair business practice subject to enforcement under Business and Professions Code Section 17200 et seq. The rights set forth in this section have no application to mobilehome spaces subject to a more-than-twelve-month lease. By definition, tenants-to-be are prospective "mobilehome tenants," and such "affected tenants" are defined by Section 5.32.020.

Providing a copy of this chapter to tenants shall be deemed compliance with this section. (Ord. 499 (part), 2004)

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5.32.130 Tenants' right of refusal.

A tenant may refuse to pay any increase in rent which is in violation of this chapter, provided a petition has been filed and either no final decision has been reached by the board or the increase has been determined to violate the provisions of this chapter. Such refusal to pay shall be a defense in any action brought to recover possession of a mobilehome space or to collect the rent increase. (Ord. 499 (part), 2004)

5.32.140 Retaliatory acts—Tenants' right to organize.

No owner may retaliate against a tenant or tenant-to-be for the tenant's or tenant-to-be's assertion or exercise of rights under this chapter in any manner, including but not limited to, threatening to bring or bringing an action to recover possession of a mobilehome space; engaging in any form of harassment that causes a tenant to quit the premises; dissuading a tenant-to-be from freely exercising his or her legal options to chose a month-to-month rental; decreasing housing services; increasing the space rent; or imposing or increasing a security deposit or any other charge payable by a tenant. The tenants have a right to organize a tenants' association without hindrance from the park owner to exercise the rights provided under the provisions of the Morro Bay Municipal Code. This association may be referred to as "The Park Tenants' Association at (Park Name)." (Ord. 499 (part), 2004)

5.32.150 Solicitation of any petition by the park owner is without force or legal effect within city's program.

The distribution of a petition or other documents seeking to have mobilehome tenants waive rights, abandon a filed petition or in any way affect the entitlement of the tenants to participate in the rent stabilization process authorized under this chapter shall be without force or legal effect within the city's rent stabilization program. Such documents shall not affect the right of any tenant to participate in the rights, remedies, procedures and processes set forth in this chapter. Efforts to utilize such documents to discourage participation in the city's rent stabilization program may be deemed retaliatory. (Ord. 499 (part), 2004)

5.32.160 Nonwaiverability.

Any provision, whether oral or written, in or pertaining to a rental agreement whereby any provision of this chapter is waived or modified, is against public policy and void, except with respect to any rental agreement complying with all of the terms and conditions set forth in Section 798.17 of the California Civil Code. (Ord. 499 (part), 2004)

5.32.170 Penalties and remedies.

Any owner who demands, accepts, receives, or retains any money as rent from a tenant to which the owner is not entitled under the provisions of this chapter shall be liable to the tenant for any actual damages, attorney's fees, and costs incurred by the tenant as a consequence and the tenant may seek relief in a court of appropriate jurisdiction for injunctive relief and damages. (Ord. 499 (part), 2004)

5.32.180 Rights of affected tenants reserved.

This chapter shall not be construed to limit or curtail any other action or proceeding which may be pursued by an affected tenant against an owner before any court or other body having jurisdiction thereof. (Ord. 499 (part), 2004)

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5.32.190 Tenant complaints.

Any affected tenant may file a complaint with the city manager for the purpose of contesting any rent increase and/or to enforce any provision of this chapter. Prior to and as a condition to such filing, the tenant must meet and confer with the owner to attempt to informally resolve their differences. The owner shall make himself or herself available for the meeting and conferring within a reasonable time after being requested to do so by the tenant, but no later than thirty days thereafter. If applicable, the owner shall comply with Section 5.32.080. If such informal resolution cannot be had, then the tenant (hereinafter referred to as "complainant") may file with the city manager (and contemporaneously deliver a copy to the owner) his or her complaint. All such complaints shall describe in detail the basis therefor and shall attach, where available and necessary to a full understanding of the complaint, documents and writings which support the complaint. Upon receiving such a complaint, the city manager shall assign the matter to the board in accordance with Section 5.32.090(D) and the matter shall be arbitrated in conformance with Section 5.32.090(E). (Ord. 499 (part), 2004)

5.32.200 Severability.

The ordinance enacting this chapter shall be liberally construed to achieve its purposes and preserve its validity. If any provision or clause of this chapter or application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of this chapter which can be given effect without the invalid provision or application, and to this end the provisions of this chapter are declared to be severable and are intended to have independent validity. (Ord. 499 (part), 2004)

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COMMUNITY DEVELOPMENT SERVICES PLANNING AND BUILDING DEPARTMENT LONG RANGE PLANNING

INTEROFFICE MEMORANDUM

Date:

March 14, 2018

To:

Honorable Board of Supervisors

From:

C.J. Freeland

Housing, Community and Economic Development

Subject:

Mobile Home Park Space Rent Stabilization

As a result of concerns recently expressed by constituents residing in area mobile home parks, the Chief Administrative Office requested County Counsel and the Planning and Building Department to explore the issues surrounding mobile home park rent stabilization ordinances (RSO). On January 17, 2018, the County met with four constituents representing three mobile home parks: Crestview Mobile Home Park in Placerville, Diamond Springs Mobile Home Park in Diamond Springs, and Greenstone Estates Mobile Home Park in Shingle Springs. The representatives expressed concerns regarding unregulated, and what they fear could be excessive space rent increases, that could have the potential to economically displace mobile home park residents, some of whom may be seniors and/or disabled on limited incomes.

The concerns expressed by the mobile home park residents raised questions regarding the law related to rent stabilization ordinances that provide for rent control in mobile home parks, the legal requirements or limitations, the procedure to implement such an ordinance, the positive or negative aspects of adopting such an ordinance and possible alternatives.

It is the intent of this memo to provide a general overview of the main issues surrounding the potential consideration of a rent stabilization ordinance. Whether the identified issues are relevant to El Dorado County is unknown at this time because the County does not have current data on mobile home space availability, existing space rents, comparable and alternative rents, historic rent increases, what is included in rent, affordability, demographics, park amenities, or the condition of existing mobile home parks, including park infrastructure, etc. This type of data is needed in order to put any discussion regarding rent stabilization into context.

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The Unique Predicament of Mobile Home Owners in Mobile Home Parks

State regulation of mobile home parks occurred as a result of the recognition that mobile home owners are in a unique situation due to the fact that they own the home (the physical building) but they rent the space that the home sits on. This circumstance makes mobile home owners vulnerable to being economically displaced by unreasonable requirements or unreasonable space rent increases because, despite their name, mobile homes are not that mobile. The cost to move a mobile home is substantial, there is significant risk of damage to the home during the move, and there may not be available space in another suitable location. As a result, mobile homes are rarely moved once placed in a park; if residents move they sell their home in place.

Though the state has addressed a wide variety of issues related to mobile home parks, residency and ownership, the state has left it up to the discretion of each local jurisdiction to determine whether a rent stabilization ordinance is needed and/or desired. Even though the mobile home park residents may be in an unequal bargaining position in relation to the park owners, any consideration of a rent stabilization ordinance must also acknowledge the park owner's property rights and the park owner's ability to make a fair return on their investment. Rent stabilization is obviously an emotional and frequently contentious and litigious issue. Any consideration of such an ordinance will require a thoughtful and delicate balancing of competing interests because all stakeholders have legitimate and understandable concerns.

Mobile Home Park Laws and Regulations¹

The California Department of Housing and Community Development (HCD) is the licensing agency for mobile home parks throughout the state. HCD currently maintains a list of 84 mobile home and RV parks in El Dorado County. Of those listed, 57 are mobile home parks located throughout the county that provide 2,980 mobile home spaces, including 586 spaces in the cities of Placerville and South Lake Tahoe. Any potential rent stabilization ordinance adopted by the County would only apply to mobile home parks in the unincorporated area of the county.

As noted previously, mobile home residency and parks are heavily regulated by state law. However, state law does not regulate the amount of rent that can be charged to a homeowner to lease a space in a mobile home park.

California law governing mobile home parks is entitled "Mobilehome Parks Act" and may be found in Division 13, Part 2.1 of the California Health and Safety Code, commencing with

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¹ Information provided by the California Department of Housing and Community Development at http://www.hcd.ca.gov/manufactured-mobile-home/mobile-home-parks/laws-and-regulations.shtml

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Section 18200. California law governing Special Occupancy Parks² is entitled "Special Occupancy Parks Act" and may be found in Division 13, Part 2.3 of the California Health and Safety Code, commencing with Section 18860. These laws are essentially building codes for mobile homes and mobile home parks. They establish requirements for permits, fees, and responsibilities of park operators and enforcement agencies, including HCD, and require HCD to develop and enforce both the regulations and the laws.

The rights and obligations of mobile home park owners, tenants and management may be found in the "Mobilehome Residency Law" (MRL), (California Civil Code Section 798 et seq.) ³. The MRL is extensive and addresses, among other things, specific notice requirements for rent adjustments, rental agreement requirements and restrictions, park rules and regulations, fees and charges, utilities, exemptions from rent control, homeowner communications and meetings, homeowner meetings with management, termination of tenancy, transfer of mobile home or mobile home parks, enforcement, and rights of residents in resident owned subdivisions, cooperatives and condominium parks. Most of the provisions of the MRL were enacted piecemeal over a number of years and eventually codified under Chapter 2.5 of the Civil Code in 1978. Since 1978, a number of sections have been amended and others added to the Code.

HCD does not have authority to enforce Civil Code provisions; therefore, MRL statutes are enforced through the courts. For example, a mobile home park owner must utilize an unlawful detainer procedure (eviction procedure) in a court to evict a homeowner for non-payment of rent or failure to abide by reasonable park rules. By the same token, a mobile home owner must bring legal action, in court, to enforce a notice or other MRL requirement, or obtain an injunction, if the management will not otherwise abide by the MRL.

Mobile home parks are not subject to the Costa-Hawkins Rental Housing Act, a law passed by the California Legislature and signed by the Governor in 1995. This law allows apartment owners in rent control communities to establish initial rental rates when there is a change in occupancy at a dwelling unit — a policy known as "vacancy decontrol." Vacancy decontrol means that a landlord may charge any amount of rent for a unit that is under rent control following a legal vacancy. Current state law prohibits any locality in California from imposing rent control on single family homes and other units like condominiums or townhomes that were built after 1995.

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² Health and Safety Code Section 18862.43 defines a Special Occupancy Park as a recreational vehicle park, temporary recreational vehicle park, incidental camping area, or tent camp. https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=HSC§ionNum=18862.43.

Mobilehome Residency Law: <a href="http://www.hcd.ca.gov/manufactured-mobile-home/mobile-home-mobile-home/mobile-home-mobile-home/mobile-h

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Rent Stabilization Ordinances

There are approximately 482 incorporated cities⁴ and 58 counties in California. According to the Mobile Home Park Homeowners Association⁵ (MHPHOA), approximately 92 cities (19 percent) and eight counties (13 percent) in California have some type of rent control or rent stabilization ordinance (RCOs/RSOs). A majority of these ordinances were initiated between the early 1980's and late 1990's. RCOs/RSOs limit allowable space rent increases both in amount and frequency, and some limit the initial space rent that can be charged following a vacancy.

RCO and RSO laws are known primarily for favoring tenant's rights, because these laws help stabilize rent levels. Typically, park owners do not favor rent control laws because it can greatly limit returns on their investment property. Some cities and counties have included vacancy decontrol regulations into their RCO/RSO to protect landlords. Vacancy decontrol regulations set space rent at market or near market rate levels following a legal vacancy and regulates the raising of rent thereafter. In some cases, vacancy decontrol provides guidelines as to how much higher the new rent can exceed the previous rent on the unit (for example, 10 percent), which takes effect when a new tenant signs the lease.

Just as the needs of each jurisdiction are unique, the provisions in each RSO will vary concerning the limits on annual space rent increases, full or partial vacancy controls or decontrols, fair rate of return determinations, and administrative fees imposed.

Although rent control ordinances have withstood legal challenge, litigation is still prevalent in this area because the concept of a "fair return" or a constitutional minimum rate of return does not lend itself to a precise definition. Existing ordinances utilize varying formulas for allowable rent increases and varying methodologies for determining a fair rate of return for the park owner. Litigation arises either as a facial challenge to the ordinance or as an as-applied challenge which is frequently related to situations in which owners seek rent increases above the normally allowable increase under the ordinance (fair return petition process).

RSOs do not apply to mobile home owners who have signed a lease greater than 12 months duration (Civil Code Section 798.17) or to newly constructed spaces initially held out for rent after January 1, 1990. With certain specified exceptions, the mobile home space is also exempt if it is not a principal residence of the homeowner and the homeowner has not rented the mobile home to another party (Civil Code Section 798.21).

Even though cities and counties have the authority to enact mobile home park rent stabilization ordinances, public entities must show that a legitimate government purpose exists to adopt such

Mobile Home Park Homeowners Association web site: https://mhphoa.com/ca/rso/

⁴ League of California Cities (as of 2011) http://www.cacities.org/Resources/Learn-About-Cities

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an ordinance. Most public entities that have adopted mobile home park RSOs conducted detailed surveys of both mobile home owners and park owners in order to obtain factual information to support adoption of the ordinance. Just as all mobile home parks are not created equal, RSOs must be fashioned to balance the limits on rent increases with the increasing costs of park utilities, infrastructure, amenities and maintenance.

Recent Case Studies

Alameda County and Humboldt County have recently amended or adopted rent stabilization ordinances. The case studies discussed below provide examples of a County-initiated and a voter-initiated RSO program.

In March 2017 the Alameda County Board of Supervisors amended their 1990 Mobile Home Park Rent Stabilization Ordinance⁶ for the first time to, among other things, reduce the annual allowable space rent increase from five percent (5%) to a flat four percent (4%) and to provide full vacancy decontrol that allows park owners to charge a new space rent of any amount for a mobile home space whenever a lawful space vacancy occurs. The staff report to the Alameda Board that accompanied the item stated that the motion being presented (to adopt the revisions) "was the culmination of two years of public process, including stakeholder meetings, public meetings and discussions with District staff and related parties."

In November 2016, Humboldt County voters passed Measure V, adopting an ordinance to regulate rent increases for spaces in their 42 mobile home parks with 10 or more spaces in the unincorporated area of Humboldt County. The Humboldt Board of Supervisors certified the election results on December 13, 2016, incorporating the Mobile Home Rent Stabilization Ordinance into the County Code. Measure V obligated Humboldt County to administer the ordinance.

The Humboldt Ordinance locked in space rents as of November 1, 2016, allowing future rent increases as follows: annual increases after May 1, 2017, will be based on 100 percent of Consumer Price Index (CPI) for all items for all urban consumers for the San Francisco-Oakland-San Jose area as reported by the Department of Labor, Bureau of Labor Statistics (the CPI for 2018, published January 12, 2018, is 3.2 percent); rent increase upon sale or move in of a new tenant is limited to a maximum 5 percent; rent increases for new capital improvements,

⁶ Alameda County Housing & Community Development Department, Mobile Home Parks web site: http://www.acgov.org/cda/hcd/mobilehome/index.htm

⁷ Humboldt County Mobile Home Rent Stabilization web site: https://humboldtgov.org/2283/Mobile-Home-Rent-Stabilization-Ordinance

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with approval of a majority of the tenants; and, increase due to right of fair return, with proper noticing as determined by a county-appointed hearing officer.

Space Rent

Rent increases under an RSO are often linked to a percent of the increase in the Consumer Price Index and/or set though a hearing process. From 2011 to 2017 the Consumer Price Index (CPI)⁸ for California increased an average of 2.1 percent. The El Dorado County Health and Human Services Agency, through cooperation with the former Board-appointed Mobile Home Task Force, conducted space rent surveys of mobile home parks located in the county in 2002 and 2007. Current data on local space rents is not available to determine if rent increases have significantly exceeded increases in the CPI or other economic indicators.

Affordable Housing

The Housing Element of the El Dorado County General Plan includes provisions for the County to provide for the development and preservation of affordable housing in the unincorporated areas of the county. Affordable housing is defined by the Federal Department of Housing and Urban Development (HUD) standard as having a total housing cost that does not exceed 30 percent of household income. Housing costs that exceed 50 percent of household income is considered overburdened.

Because some seniors live on fixed incomes dictated by Social Security and other retirement benefits, those who do not own their homes are significantly affected by rising housing costs. Also, while some seniors may prefer to live in single-family detached homes, others may desire smaller, more affordable homes with less upkeep, such as condominiums, townhouses, apartments, or mobile homes. As reported in the most recent Housing Element, as of 2007 nearly 87 percent of unincorporated El Dorado County's housing stock was made up of single-family detached homes, leaving only 15 percent of the housing stock for those who choose to or must live in other forms of housing. Recent construction activities have been primarily for single-family detached homes. There has not been significant development of multifamily housing or other alternative forms of housing over the past 10 years.

Three Housing Element Policies specifically address mobile home parks: Policy HO-2.5: The County shall encourage manufactured home subdivisions; Policy HO-3.3: The County shall support efforts to convert mobile home parks where residents lease their spaces to resident ownership of the park; and, Policy HO-3.4: The conversion of mobile home parks to housing that is not affordable to very low-and low-income households shall be discouraged.

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⁸ California Department of Industrial Relations, Consumer Price Index, historic data (1914-2017) at: https://www.dir.ca.gov/OPRL/capriceindex.htm

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As stated earlier, the County does not have current data on space availability, existing space rents, comparable and alternative rents, historic rent increases, what is included in rent, affordability, demographics, park amenities, or the condition of existing mobile home parks, including park infrastructure, etc. The lack of current data for local mobile home park rents and alternatives rents prevent any conclusion that mobile home parks are or are not affordable to those residents.

County Ordinance Proposal

In accordance with Board Policy A-3⁹, Ordinances – New or Amended, new ordinances and ordinance amendments must be presented to the Board for conceptual review and authorization to prepare the draft ordinance or ordinance amendment. There is an exception for minor amendments to existing ordinances that are the result of changes in state or federal laws or regulations, or in the case of urgency ordinances governed by Government Code Section 25120.

The preparation necessary for the Board to consider adoption of a countywide mobile home park rent stabilization ordinance would require a significant commitment of County resources to conduct surveys, analyze data, and conduct public and stakeholder meetings.

The cost of administering an RSO would depend on the program design. Many California jurisdictions have instituted rent review boards, rent administrators, or mobile home park mediation boards to administer their RSO program. The cost to administer a RSO is usually passed along to park owners and residents in the form of an administration fee per space for those protected by the RSO. Other costs associated with hearings and appeals are passed on to the parties bringing the action forward.

Mobile Home Park Conversions

A mobile home park "conversion" usually refers to a change in the ownership structure of the park from a rental park owned by a park operator/investor to a resident owned community. It can also refer to the conversion of a park to a different use where a park ceases to be operated as a mobile or manufactured home park.

The California Civil Code Section 798.56 (MRL) and Government Code Section 65863.7 (Planning and Land Use) establish requirements regarding notification of mobile home park residents when conversion to a different use, closure of a mobile home park, or cessation of use of the land as a mobile home park is proposed.

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⁹ El Dorado County Board of Supervisors Policy Manual web site: https://www.edcgov.us/Government/BOS/Policies/Pages/policy_manual.aspx#SectionD

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Government Code 65863.8 sets forth requirements for analysis of the impact of the conversion, closure or cessation of use on the displaced residents. The availability of adequate replacement housing in mobile home parks and relocation costs, among other things, must be addressed. If conversion to a resident owned community is done under the Subdivision Map Act¹⁰ (SMA), specific SMA statutes apply regarding notices, impact reports, rights to purchase, and increases in rent for non-purchasers. The SMA establishes a minimum standard for local regulation of conversions of mobile home parks into other uses; however the code does "not prevent a local agency from enacting more stringent measures."

The conversion of mobile home parks into condominium subdivisions under the SMA requires the park owner to convert each pad into a separate property interest, or "condominium." Once the separate interests are created, the park operator must offer each existing tenant the option to either purchase the space or condominium or to continue residency as a tenant. This conversion process can take anywhere from 18 months to several years.

This has become controversial because the conversion process is said to effectively nullify the application of the local RSO once the park is converted; however, the law provides protections for residents who do not or cannot purchase their spaces. To minimize economic displacement of non-purchasing residents, the SMA requires the park operator to phase out rent control over a four year period for non-lower income non-purchasing residents. Rent increases that may be charged to lower income non-purchasing residents are limited to the lower of a CPI increase or the average space rent increase for the last four years. This rent increase protection remains as long as the resident resides in the park and is low income; however, it does not carry forward to new tenants.

The Golden State Manufactured Home Owners League (GSMOL)¹¹ reports that there are over 40 jurisdictions in California, primarily cities that have Mobile Home Park Closure and/or Conversion Ordinances. These closure ordinances outline more stringent procedures to be followed in the event a park owner applies for a permit to close or convert the park to another use. This type of ordinance became important several years ago when real estate prices skyrocketed and developers became very interested in purchasing mobile home parks to convert them to commercial and other uses.

According to GSMOL, state code only loosely protects mobile home residents in case of a park closure so it became critical for jurisdictions to design special ordinances to protect the rights of

¹ GLMHOL Mobile Home Park Closure Conversion Ordinances https://www.gsmol.org/resources/ordinances/

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Subdivision Map Act - Government Code Section 86410
https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=GOV&division=2.&title=7.&part=&chapter=1.&article=1

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mobile home owners who are frequently lower-income seniors and families on fixed incomes. Key provisions of most conversion ordinances include expanded criteria for an impact report, relocation counselor requirements, in-place market value to be used as a standard for reimbursement of home value to the displaced resident, comparable relocation provisions, and payment of full costs of moving the mobile home and fixtures.

The Housing Element of the County General Plan under Measure HO-2013-23 directs the County to develop a mobile home park conversion policy with measures to encourage retention of mobile home and manufactured home housing, aid in relocation, and provide compensation to owners and residents. The County prepared a draft ordinance in 2007 with the cooperation of a Board-appointed Mobile Home Task Force, but the effort was unsuccessful. The County does not have a Mobile Home Park Closure or Conversion Ordinance in place at this time.

Arguments For and Against Rent Stabilization

Following a limited on-line document review, the occurrence of the same general arguments for and against rent stabilization can be found. In the absence of local data, there are no compelling arguments for or against a countywide RSO.

Mobile home owners in favor of RSOs contend that: 1) mobile home park rent stabilization provides relief to mobile home park tenants from excessive rent increases; 2) a shortage of mobile home spaces exists in the area causing artificial increase in space rent; 3) mobile homes are costly and difficult to move; 4) excessively high space rent drives down the price of mobile homes should an owner elect to sell a mobile home; and 5) high rental rates will more negatively impact seniors and other persons on a fixed income.

Park owners and others opposed to RSOs contend that: 1) mobile home park rent rates should be left to adjust themselves by operation of market forces without government intervention; 2) rent control imposes a severe and continuing burden on the landowner. For example, if rent restrictions are too onerous, rents cannot keep up with inflation; repair and/or replacement of aging infrastructure is difficult; no incentive to make new investments; concern about pass-through of increases in taxes, assessments and fees; pass through of major improvements; maintenance and repair costs are always increasing; 3) RSOs are technical and complicated, are costly to prepare, and implementation requires considerable staff time and public hearing time; 4) RSOs require administrative oversight thus requiring additional staff which must be managed, supervised and funded by a public entity; and 5) RSOs have been the subject of a great deal of litigation and a public entity may incur substantial legal expenses and costs to defend a lawsuit.

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Additional arguments for and against a RSO can, and have been made. Providing an exhaustive list would be impossible, and as stated earlier, all stakeholders have legitimate and understandable concerns.

Alternatives to Rent Stabilization

Several jurisdictions around the state have adopted alternative measures to an RSO in order to address rent insecurities in their communities. These RSO alternatives include Model Leases and Memorandums of Understanding (MOU); Resident Assistance Programs (Space Rent Subsidy); conversion to resident ownership; County purchase of mobile home parks to stabilize rents; and purchase by non-profit entities.

The City of West Sacramento has adopted a voluntary program as an alternative to a RSO. A Mobile Home Park Task Force was established in 2008 to develop a Mobile Home Park Improvement Plan¹² consisting of a standardized rental agreement (Model Lease), operating standards, and an infrastructure improvement fund. The program was amended in 2009 with an ordinance to require park owners in the jurisdiction to report rent increases annually to ensure the City stays informed of and continues to monitor rent increases in mobile home parks.

Other cities have adopted RSOs with a provision that park owners that have executed a Memorandum of Understanding (MOU) with the jurisdiction would be exempt from the RSO. The MOUs might specify that all residents will be offered long term leases including moderate rent increase limits. For example, the Model Lease provides for space rents to rise at the CPI plus the pass-through of property taxes and capital improvements, and by 15 percent on vacancy. The public cost to develop and implement the RSO was not mitigated in this case by the MOU option. However, an MOU option without a RSO would more closely resemble the West Sacramento model.

In some rare cases, cities have used local redevelopment funds (no longer available in California) or public housing authority funds to either purchase mobile home parks outright to manage rents or to create a subsidy program to assist rent-challenged, low income mobile home owners. Some subsidy programs have been funded through agreements with park owners in lieu of RSOs or as part of the RSO.

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¹² City of West Sacramento, Community Development, Mobilehome Parks at http://www.cityofwestsacramento.org/city/depts/comdev/hci/community_investment_activities/mobilehome/default.asp

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As described in a case study included in the 2008 Marina Mobile Home Report by Michael St. John¹³, Stanislaus County formed an Ad Hoc committee to negotiate with a park ownership group to address substantial rent increases in those parks the group owned in Ceres, Modesto and Riverbank. Negotiations ultimately failed. The Committee proceeded to draft a mobile home park rent control ordinance for consideration by the County culminating a year of meetings with tenant groups and mobile home park owners. No countywide RSO was agreed upon at the time ¹⁴.

Conclusion

As previously stated, in the absence of local data, there is no compelling argument for or against a countywide RSO. It is unclear if the group of constituents who met with County staff in January 2018 represents a significant number of mobile home park residents with rent increase concerns, or if there is significant or compelling evidence for the County to divert its limited resources to undertake a lengthy and time consuming RSO process. To determine if El Dorado County mobile home park residents require legal protection from excessive space rent increases, a study of current space rent, historic annual rent increases, demographics, and comparable rents must be explored.

When the City of Marina commissioned a study in 2007 to look into the status of mobile home park residency in the City, they began by asking relevant questions to inform their study. Many of these same questions could help inform the County of El Dorado, should the Board of Supervisors provide direction to staff to move forward with a study for a countywide RSO.

- 1. Are the mobile home space rents in the County too high, too low, or about average?
- 2. Is there a problem about space rents that the County should address?
- 3. Are the prices at which mobile homes are selling reasonable, considering the overall market?
- 4. Is there an actual or perceived problem that rent control might address?
- 5. Is there a rent problem or an income problem that can be addressed?
- 6. Has something changed from the situation that has prevailed, without rent control, for many years?
- 7. Are park owners in any way exploiting the "captive" nature of the mobile home resident/mobile home park relationship?
- 8. Are mobile home residents more financially challenged than homeowners or apartment dwellers in the County?

13 St. John & Associates, Articles & Reports, Marina Mobile Home Report, December 2008, Michael St. John, et al.at at http://stjohnandassociates.net/propertyManagementArticles.html

¹⁴ Board of Supervisors of the County of Stanislaus Agenda Summary at http://www.stancounty.com/bos/agenda/2007/20070327/e01.pdf

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9. Is it possible or likely that space rents in the County would increase significantly in the foreseeable future?

- 10. Have space rents increased significantly in surrounding communities?
- 11. How do mobile home parks fit into the County's plans for future development, including plans for creating and preserving affordable housing?
- 12. What might be the effects of rent control on residents, park owners, taxpayers, and the County?
- 13. How do the costs of mobile home residency compare to the costs of living in a single-family home or an apartment in the county?
- 14. Are there alternative programs that might balance the market and address financial insecurity more effectively than rent control?
- 15. Are there mobile home residents for whom paying space rent is a financial burden?

While development of a rent control ordinance will require significant and difficult decision points regarding issues such as determining the amount of allowable increases, frequency of increases, and vacancy control or decontrol, there are a fair number of existing ordinances that the County can draw from in drafting a proposed ordinance.

The more fundamental and difficult questions are whether or not rent control is appropriate for El Dorado County and whether or not rent control will have the intended effect of advancing and preserving affordable housing. Answering these questions is complicated by the fact that there are numerous studies and papers written to address some of the multitude of issues and economic impacts associated with rent control ordinances. As would be expected with such a contentious subject, there are varying expert opinions as to the effectiveness of rent control to advance and preserve affordable housing.

Developing a countywide RSO will require an extensive amount of research and analysis and stakeholder engagement. The experience of other jurisdictions that have considered adopting a rent control ordinance, whether successfully or not, demonstrates that it is a long complicated process because housing insecurity stirs deep emotions, but at the same time, all stakeholders have legitimate and understandable concerns and arguments for and against this type of ordinance.

Please let me know if you have any questions or require additional information relative to this matter.

c. Karl Weiland
Don Ashton
Michael Ciccozzi
Roger Trout
Patricia Charles-Heathers
Jim Mitrisin

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<u>CA JURISDICTIONS</u> with <u>Mobilehome Park Rent Stabilization Ordinances</u> (Revised 2013)

City/County	DATE	# Pks/Spaces	% Increase	*Vacancy Control	**Committee/Board	Adopted by
Alameda County	12/1965	22 / 712	Automatic up to 5%	YES		Ordinance
Azusa	01/1992	6 / 548	8%/75% of CPI	NO		Ordinance
Beaumont	10/1984	8 / 459	Established by Hearing	NO	2-2-1	Ordinance
Benicia	09/1978	4 / 317	Established by Hearing	NO	2-2-1	Ordinance
Calistoga	08/1984	5 / 569	Established by Hearing	NO	1-1-3	Ordinance
Camarillo	12/1981	4 / 747	Established by Hearing	NO	1-1-3	Ordinance
Capitola	11/1979 Rpeal'd 8/11	8 / 623	Lesser of 5% or 60% CPI	YES	City Council	Ordinance
Carpinteria	03/1982	7 / 866	75% of CPI	YES		Ordinance
Carson	08/1979	28 / 2565	Set by Board	YES	2-2-3	Ordinance
Cathedral City	03/1983	10 / 2064	75% of CPI	YES	0-0-5	Initiative
Chino	08/1983	5 / 554	66% of CPI	NO	1-1-3	Ordinance
Cloverdale	08/1986	4 / 165	Set by Board	YES to 10%	0-0-3	Ordinance
Clovis	09/1978	6 / 582	Rent Review Commission	NO	1-1-3	Ordinance
Colton	06/1990	8 / 916	60% of CPI	NO		Ordinance
Cotati	11/1979	3 / 106	Set by Board	YES		Ordinance
Daly City	06/1980	1 / 501	Set by Board	NO	1-1-3	Ordinance

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Delano	11/1984	4 / 310	50% of CPI	YES	1-1-3	Initiative
East Palo alto	11/1983	4 / 274	Set by Board	YES		Initiative
Escondido	06/1988	30 / 3585	Set by Board	YES	City Council	Initiative
Fairfield	11/1984	9 / 883	Set By Board	NO	1-1-3	Ordinance
Fontana	02/1987	10 / 684	7% unless CPI>7%	NO	Rent Admin.	Ordinance
Fremont	02/1987	3 / 732	Greater \$10 or 70%CPI	YES		Ordinance
Fresno	12/1987		Rent Review Commission	YES	1-1-3	Ordinance
Gardena	04/1987	27 / 1156	Rent Mediation With Arbitration	NO	3-3-3	Ordinance
Gilroy	05/1987	4 / 336	Less of 5% or 80% CPI	NO	NONE	Ordinance
Grover Beach	12/1987	3 / 140	Graduated CPI	YES 5%	City App. Mediator	Ordinance
Hawthorne	06/1979	11 / 327	Rent Mediation Board	NO	Rent Board	Ordinance
Hayward	02/1980	16 / 2160	Lesser of 3% or 60%CPI to 8%	NO	NONE	Ordinance
Hemet	05/1979	20 / 2805	Set by Board	NO	1-1-3	Initiative
Hollister	05/1989	1 / 235	Lesser of 8% or 80% CPI	NO	1-1-3	Ordinance
Indio	03/1984	6 / 528	75% of CPI	NO		Initiative
Lancaster	03/1985	27 / 2584	Set by Board	YES	1-1-3	Initiative
_a_Verne	10/1994	8 / 1762	Lesser of 7% or CPI	No	Rent Admin	Ordinance
ompoc	12/1983	7 / 654	75% of CPI to 10%	No	2-2-1	Ordinance
A City	8/1978	62 / 5885		No	Detrmd by Board	Ordinance

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LA County	03/1988	62 / 5885	Less of 8% or 75%CPI	NO	0-0-5	Ordinance
Los Gatos	10/1980	2 /137	100% CPI or 5%	\$25 or average		Ordinance
Malibu	12/1991	2 / 527	75% of CPIO	To 10%		Ordinance
Marina	11/2011	5 / 399	100% CPI	5% every 2 yrs	Rent Admin	Ordinance
Merced	5/1982	3 / 574	Set by hearing	NO	2-2-1	_ Ordinance
Milpitas	8/1992	3 / 521	50% CPI or 8%	Avg Rent	City Council	Ordinance
Modesto	10/2007	9 / 1400	100% CPI	10% every 5 yrs	Hearing Board	Ordinance
Montclair	11/1985	8 / 620	Lessor of 6% or 6% of CPI	NO	2-2-1	Ordinance
Moreno Valley	7/1987	7 / 809	Lessor of %% or 65% CPI	With Limit	Park or Res Committee	Ordinance
Morgan Hill	03/1983	9 / 875	75% CPI	YES	1-1-3	Ordinance
Morro Bay	8/1986 Rev'sd 2004	15 / 641	75% of CPI 125% CPI Non-perm res	10-15% Cap	2-2-3	Ordinance
Napa	12/1983	22 / 1605	8% cap		1-1-5	Ordinance
Oakland	9/1980	3 / 49	Automatic 5%	NO		Ordinance
Oceanside	5/1982	20 / 2401	Lesser of 8% or CPI	YES	0-0-5	Ordinance
Oxnard	3/1983 Rev'sd `98	25 / 2780	75% CPI or 4% (greater of these)	YES 15% of average space rent	HeargAdm/ RentRev Bd	Ordinance
Pacifica	09/1991	1 / 93	75% of CPI	NO	NONE	Ordinance
Palmdale	10/1985	15 / 1455	CPI or Arb Award	NO	1-1-3	Ordinance
Palm Desert	04/1980	4 / 676	75% of CPI	YES	5 picked	Ordinance
Palm Springs	04/1980	14 / 2242	75% of CPI	YES	0-0-5	Ordinance
Paramount	07/1987	17 / 1228	100% CPI	NO	2-2-0	Ordinance

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Petaluma	02/1994	9 / 1006	100% CPI or 6%	NO	Arbitration	Ordinance
Pismo Beach	04/1981	2 / 412	Less of 6% or 75% of CPI	YES 10%		Ordinance
Pleasanton	02/1993	4 / 412	100% CPI or 5%	To 25% in 5 years	2-2-1	Ordinance
Pomona	05/1992	19 / 1836	Mediation	NO		Ordinance
Rancho Mirage	07/1982	6 / 882	75% of CPI	Avg Rent	1-1-5	Initiative
Redlands	12/1982	8 / 684	Less of 6-9% or 75% CPI	NO	0-0-3	Ordinance
Rialto	03/1992	12 / 1425	Rent Review Commission	YES	0-0-5	Ordinance
Riverside County	08/1983	124/12376	100% CPI	NO	2-2-1	Ordinance
Rocklin	05/1982	3 / 384	Guaranteed CPI	NO	1 and up	Ordinance
Rohnert Park	12/1987	5 / 1314	75% CPI or 4% cap	YES	5	Initiative
Salinas	10/1990	11 / 1437	75% CPI or 8% cap	NO		Ordinance
San Bernardino	09/1984	16 / 1487	Less of 4% or 75 % CPI	NO	None	Ordinance
San Francisco	06/1970	1 / 56	4-7% or 60%CPI	YES		Ordinance
San Jose	07/1985	70 / 11435	3-7% or 75% of CPI	YES	None	Ordinance
San Juan Capistrano	03/1979	7 / 1209	100% CPI	YES	2-2-1	Ordinance
San Luis Obispo City	06/1988	15 / 1551	Graduate CPI with 9 % cap	YES 10% (1x in 3 yrs)	Hearing Officer	Initiative
San Luis Obispo County	06/1988	39 / 2408	60% CPI	YES 10%	3 Rent Review Bd	Initiative
San Marcos	11/1980	17 / 3216	CPI or NOI	With Limit	Neview bu	Ordinance
San Raphael	04/1990	1 / 397	3-7.5% of CPI	YES	None	Ordinance

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Santa Barbara County	09/1994	19 / 2161	75% CPI	10% 1-5 yrs	Arbitration	Ordinance
Santa Clarita	12/1990	15 / 2070	100% CPI with 6% cap	NO		Ordinance
Santa Cruz County	01/1979	36 / 2212	50% of CPI + pass through	YES		Ordinance
Santa Monica	04/1979	3 / 283	Set by Board	NO		Initiative
Santa Paula	06/1984	9 / 838	Less of 7% or 75% of CPI	10% 1-3 yrs	0-0-3	Ordinance
Santa Rosa	2004	8/	100% CPI or up to 6%	YES	Arbitration	Ordinance
Scotts Valley	11/1980	5 / 527	75% of CPI	YES	0-0-5	Ordinance
Sebastopol	Pebastopol Revised 6 / 173 08/1992		100% of CPI	NO	Arbitration	Ordinance
Simi Valley	03/1983	6 / 354	Rent Review Commission	NO		Ordinance
Sonoma County	06/1987	51 / 3736	100% CPI	YES	Arbitration	Ordinance
Thousand Oaks	07/1980 Rev'sd 2011	8 / 897	Designated 10 Yr Plan - Rent Increases	YES 10-15%	Rent Review Board	Ordinance
Union City	05/1980	3 / 918	90% of CPI or 7%	YES		Ordinance
Upland	12/1985 Rev'sd 1992	6 / 866	80% CPI or 7%	7% cap	Arbitration	Ordinance
Vacaville	12/1977	12 / 1126	Graduated CPI	NO	0-0-3	Ordinance
Vallejo	02/1982	17 / 1990	5%	NO	1-1-3	Ordinance
Ventura City	06/1981	18 / 1087	Less of 7% or 75% CPI	YES to 15%	Rent Review Bd.	Ordinance
Ventura County	02/1983	24 / 1421	Automatic 5%	YES to 15%	0-0-3	Ordinance
Watsonville	03/1989	5 / 717	70% of CPI or 5%	NO		Ordinance
West Covina	09/1984	2 / 265	Less of 5-9% or 100% CPI	NO	Human ResourcesComm.	Ordinance

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540.8.



MEMORANDUM

TO:

CITY COUNCIL

VIA:

ROBERT L. HUNT, CITY MANAGERS

FROM:

DOREEN LIBERTO-BLANCK, AICP, COMMUNITY I

DIRECTOR

SUBJECT:

PRELIMINARY DRAFT MOBILE HOME RENT CONTROL ORDINANCE

DATE:

SEPTEMBER 23, 1997

RECOMMENDATION:

It is recommended the Council provide direction to staff.

FUNDING:

There would be no fiscal impact from the proposed actions.

DISCUSSION:

On February 25, 1997, the City Council directed the City Attorney to revise the City's Mobilehome Rent Stabilization Ordinance. In researching the issue, it became clear that the current Mobilehome Rent Stabilization Ordinance needed significant amendments. On May 27, 1997, the City Council authorized distribution to interested parties of a preliminary draft Ordinance repealing and replacing Chapter 16 of Title 5 of the Arroyo Grande Municipal Code and Establishing a System of Mobilehome Rent Control (reference attachment). On June 3rd, staff mailed 317 copies of the Ordinance to interested individuals.

Some of the major differences between the existing Ordinance and preliminary draft Ordinance include:

- Detailed hearing procedures for tenant complaints and rent adjustment petitions (Section 5-16.09 and 5-16.13).
- Use of an administrative hearing officer (Section 5-16.08B).
- Specific exemptions to the Ordinance (Section 5-16.02).
- Mandatory decrease or permissive increase in rent by seventy-five percent of the annual Consumer Price Index (CPI) each January 1st (Section 5-16.04).
- Definition of "fair return standard" (Section 5-16.10).
- Clarifies the tenant complaint procedures (Section 5-16.13).

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ITEM NUMBER: DATE: ATTACHMENT:

10/22/19

City Council Preliminary Draft Mobile Home Rent Control Ordinance September 23, 1997 Page 2

The Council indicated that depending on the number and nature of comments received, workshops to discuss, hopefully resolve, the issues/concerns with the Preliminary Draft Ordinance may be scheduled. Staff has received 101 letters in opposition to, and 46 letters in support of the Preliminary Draft Ordinance. The two predominate issues are the provisions to exclude resident owned mobile home parks (Section 5-16.02 E.6.), and the use of an administrative hearing officer instead of a mobile home rent review board (Section 5-16.08 B).

The Mayor has met on four occasions with representatives (owners and renters) of the Sunrise Terrace Mobile Home Park in an effort to mediate differences. The Mayor's notes from those meetings are attached. In addition, individually, Council Members have met with local park owners and a representative from the Western Mobilehome Parkowners Association (WMPA) to discuss a lease proposal offered by WMPA.

Owners and Renters from Sunrise Terrace have submitted a letter dated September 17th requesting a minimum 90 day continuance. According to the letter, the Owners and Renters have reached a tentative agreement on a proposed long-term lease.

Alternatives:

Staff offers the following alternatives for Council consideration:

- 1. Direct staff to establish workshops on the Preliminary Draft Ordinance during the month of October;
- 2. Direct staff to schedule a public hearing for October 14th on the Preliminary Draft Ordinance as drafted:
- 3. Direct staff to amend the Preliminary Draft Ordinance and schedule a public hearing on an amended Ordinance; or
- 4. Do not amend the existing Ordinance.

Attachments: Preliminary Draft Ordinance

May 27, 1997 Staff Report

September 17, 1997 Sunrise Terrace Letter

Mayor's Notes Letter from WMPA

August 13, 1997 Memo from Tim Carmel

List of Letters Received on the Preliminary Draft Ordinance

Letters Received on the Preliminary Draft Ordinance

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B-1 03/10/20

ATTACHMENT: ITEM NUMBER:

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MEMORANDUM

TO:

CITY COUNCIL

VIA:

ROBERT L. HUNT, CITY MANAGER

FROM:

DOREEN LIBERTO-BLANCK, AICP, COMMUNITY

DEVELOPMENT DIRECTOR HME for DLB

SUBJECT:

MOBILE HOME CONSIDERATION OF RENT CONTROL

ORDINANCE

DATE:

JANUARY 13, 1998

RECOMMENDATION:

Staff recommends the City Council provide direction regarding the introduction of an ordinance replacing or repealing Chapter 16 of Title 5 of the Arroyo Grande Municipal Code.

FUNDING:

If the Council repealed Chapter 16, there would be no Mobile Home Rent Control Board to staff. Over the past year, staff spent approximately 100 hours working on this program. This calculated to a cost in excess of \$3,000 (exclusive of City Attorney time).

DISCUSSION:

On February 25, 1997, the City Council directed the City Attorney to revise the City's Mobilehome Rent Stabilization Ordinance. The City Council authorized staff to distribute the preliminary draft ordinance repealing and replacing Chapter 16 of Tile 5 to interested parties. The Council indicated that depending on the number and nature of comments received, workshops to discuss the issues/concerns with the preliminary draft ordinance may be scheduled. Staff received 101 letters in opposition to, and 46 letters in support of the Preliminary Draft Ordinance. The two predominate issues addressed in the letters were the provisions to exclude resident owned mobile home parks (Section 5-16.02 E.6.), and the use of an administrative hearing officer instead of a mobile home rent review board (Section 5-1608 B). Considering that the comments received centered primarily on two issues, it was decided to schedule a public meeting to review the proposed revised ordinance (September 23, 1997). The Council considered the approximately 150 letters received addressing the preliminary draft ordinance, and took substantial public testimony (reference attachment).

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City Council
Repeal Chapter 16 of Title 5
January 13, 1998
Page 2 of 2

The Mayor met on four occasions with representatives (owners and renters) of the Sunrise Terrace Mobile Home Park in an effort to mediate differences. In addition, individually, Council Members met with local park owners and a representative from the Western Mobilehome Parkowners Association (WMPA) to discuss a long term lease proposal sponsored by WMPA.

At the September 23rd meeting, the City Council considered a letter dated September 17th from the Owners and Renters from Sunrise Terrace requesting a minimum 90 day continuance because they had reached a tentative agreement on a proposed long-term lease. Since the September 23rd meeting, and based on contacts made by staff at the time of finalizing the staff report, 10 of the 12 spaces in Arroyo Trailer Park have lease agreements, or 83%; 6 of the 11 spaces in the Vagabond Mobile Home park have lease agreements, or 55%; and 104 of the 115 spaces in Sunrise Terrace Mobilehome Park have lease agreements, or 91%. Examples of lease agreements for the Arroyo Trailer Park, Sunrise Terrace, and Vagabond Mobilehome Park are attached.

Alternatives:

Staff offers the following alternatives for Council consideration:

- Introduce for first reading an ordinance repealing and replacing the existing Mobile Home Rent Stabilization Ordinance as addressed in the September 23, 1997 staff report;
- 2. Introduce for first reading an Ordinance repealing the existing Mobile Home Rent Stabilization Ordinance;
- 3. Take no action thereby retaining the current Mobile Home Rent Stabilization Ordinance;
- Make modifications to the proposed revised Mobile Home Rent Stabilization Ordinance and introduce for first reading;
- If an Ordinance is introduced for first reading, at the Council's sole discretion, schedule the second reading as a public hearing for February 10th (a public hearing is not a legal requirement); or,
- 6. Provide additional direction to staff.

Attachments:

Proposed Ordinance Repealing Chapter 16 of Title 5
Proposed Ordinance Repealing and Replacing Chapter 16
of Title 5

September 23, 1997 Council Staff Report and Minutes Current Mobile Home Rent Stabilization Ordinance

Lease Agreements

B-1 03/10/20

ATTACHMENT: ITEM NUMBER: C-1

ATTACHMENT:

DATE:

10/22/19

AN ORDINANCE OF THE CITY OF ARROYO GRANDE REPEALING CHAPTER 16 OF TITLE 5 OF THE ARROYO GRANDE MUNICIPAL CODE

THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE DOES ORDAIN AS FOLLOWS:

SECTION 1: Chapter 16 of Title 5 of the Arroyo Grande Municipal Code is hereby repealed and deleted in its entirety.

SECTION 2: Within fifteen (15) days after passage of this Ordinance, it shall be published once, together with the names of the Council members voting thereon, in a newspaper of general circulation within the City.

SECTION 3: This Ordinance shall take effect thirty (30) days after its final passage. On motion of Council Member Council Member _____ and on the following roll call vote, to-wit: AYES: NOES: ABSENT: the foregoing Ordinance was adopted this _____ day of ______, 19 . A. K. "Pete" DOUGALL, MAYOR ATTEST: NANCY A. DAVIS, CITY CLERK APPROVED AS TO CONTENT: APPROVED AS TO FORM: LYON & CARMEL

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ROBERT L. HUNT, CITY MANAGER

TIMOTHY J. CARMEL

CITY ATTORNEY

ITEM NUMBER: B-1
DATE: 03/10/20
ATTACHMENT: 1
ITEM NUMBER: C-1
DATE: 10/22/19
ATTACHMENT: 5

I, NANCY A. DAVIS, City Clerk of the City of Arroyo Grande, County of San Luis Obispo,
State of California, do hereby certify under penalty of perjury that the foregoing Ordinance No.
is a true, full and correct copy of said Ordinance passed and adopted at a regular
meeting of said Council on the day of, 19 .
WITNESS my hand and Seal of the City of Arroyo Grande affixed this day of, 19 .
NANCY A. DAVIS, CITY CLERK

ITEM NUMBER: DATE: ATTACHMENT:

B-1 03/10/20

ITEM NUMBER: DATE:

C-1 10/22/19

ATTACHMENT:



MEMORANDUM

TO:

CITY COUNCIL

VIA:

ROBERT L. HUNT, CITY MANAGER

FROM:

DOREEN LIBERTO-BLANCK, AICP, COMMUNITY

DEVELOPMENT DIRECTOR

SUBJECT: ADOPTION OF AN ORDINANCE REPEALING

CHAPTER 16 OF TITLE 5

DATE:

JANUARY 27, 1998

RECOMMENDATION:

It is recommended that the City Council adopt an Ordinance repealing Chapter 16 of Title 5 of the Municipal Code.

FUNDING:

Adoption of the proposed Ordinance will save approximately \$3,000 per year in staff time (exclusive of City Attorney time).

DISCUSSION:

The City Council, at its meeting of January 13, 1998 introduced the attached Ordinance for first reading with no modifications.

Therefore, it is recommended the City Council adopt the Ordinance.

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SECTION 3: This Ordinance shall tal	ke effect thirty (30) day	s after its final passage.			
On motion of Council Member		, seconded by			
Council Member	and on the following roll call vote, to-wi				
AYES: NOES:					
ABSENT:					
the foregoing Ordinance was adopted this	day of	, 19 .			
	A. K. "Pete" DO	UGALL, MAYOR			
ATTEST:					
NANCY A. DAVIS, CITY CLERK					
APPROVED AS TO FORM:	APPROVED AS	TO CONTENT:			
LYON & CARMEL	a.				
BY:	Robert Hi	Lui)			
BY: TIMOTHY J. CARMEL	ROBERT L. HUI	NT, CITY MANAGER			

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CITY ATTORNEY

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ITEM NUMBER: DATE: ATTACHMENT:

I, NANCY A. DAVIS, City Clerk of the City of Arroyo Grande, County of San Luis Obispo
State of California, do hereby certify under penalty of perjury that the foregoing Ordinance No
is a true, full and correct copy of said Ordinance passed and adopted at a regula
meeting of said Council on the day of, 19 .
WITNESS my hand and Seal of the City of Arroyo Grande affixed this day of
NANCY A. DAVIS, CITY CLERK

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DATE: ATTACHMENT:

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MARINA MOBILEHOME REPORT

Michael St. John, Ph.D.

December 2008

A Report Commissioned by the City of Marina

[The information and opinions presented are the views of the author, not the City of Marina, informants, or any of the stakeholders.]

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This report describes economist Michael St. John's findings about mobilehomes, mobilehome park residents, space rents, and mobilehome values in Marina, California. The findings are based on survey responses by residents and park owners, interviews with stakeholders and others involved in the mobilehome market, and mobilehome sales data.

The report is responsive to the Marina City Council's search for information and perspective on mobilehome space rents. It addresses the insecurity some mobilehome residents feel about space rent increases – insecurity triggered by fairly, major space rent increases at one Marina mobilehome park in 2007.

The report finds that space rents in Marina are moderate. Space rents in Marina are lower than space rents elsewhere in Monterey County. Space rents in four out of five parks have increased by less than the consumer price index for apartment rents (CPI-Rent) over the past twenty years. Even the relatively high space rents at the highest rent park are not higher than space rents in some parks in Salinas and elsewhere in Monterey County.

The report finds that mobilehome values, on the other hand, have increased in the past wenty years by more than the both the CPI and the CPI-Rent index, such that sales prices in some cases exceed the intrinsic value of the mobilehomes.

Mobilehome values and space rents are inversely related. Leaving market fluctuations aside, high space rents tend to decrease mobilehome values and low space rents tend to increase mobilehome values. To assure market stability, mobilehome values and space rents should be in balance. The report finds that the mobilehome / space rent market in Marina may be out of balance in the sense that increases in mobilehome values have, over the past 20 years, exceeded increases in space rents.

The report concludes with the following recommendations:

- 1. That the City sponsor a transparent, inclusive process involving all stakeholders in order to work out a cooperative solution to residents, insecurity regarding mobilehome space rents and mobilehome values.
- 2. That the City, mobilehome park residents, and mobilehome park owners explore the possibility that a renegotiated memorandum of understanding (MOU) and model lease would bring stability and balance to the mobilehome market.
- 3. That the City abandon the proposal to re-zone mobilehome parks and continue to seek locations for additional mobilehome park space outside the downtown revitalization project area.
- 4. That the City cover the administrative costs and consider making a matching contribution to a rent subsidy program funded by park owner contributions of 3% of gross space rentals, in order to address the income needs of the lowest-income mobilehome park residents.

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This report was commissioned by the City of Marina. The opinions and conclusions herein are those of the authors and do not necessarily represent the views of the City.

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SUMMARY

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The City has five mobilehome parks with a total of 399 mobilehomes. These homes are nearly evenly divided between singlewides and doublewides. The sizes of parks are similar, ranging from 61 to 99 spaces.

Average space rents in the parks range from \$349 to \$608 per month. Apart from space rents, mobilehome owners pay for utility costs, which in most parks include water, sewer, and trash costs, as well as gas and electricity. These costs are typically in the range of \$100 per month. Also, mobilehome owners pay property taxes and have insurance costs.

Long term residents typically paid prices in the range of \$20,000 to \$40,000 for their homes. Residents who have moved in since 2000 have paid an average of \$95,000 for their mobilehomes. The majority of mobilehomes were manufactured before 1980. However, 27% were manufactured since 2000.

The mobilehome park owner-mobilehome owner landlord-tenant relationship is not a market relationship in the conventional sense. Mobilehome owners have homes which as a practical matter are "immobile", and therefore, they have no bargaining power as long as they desire to retain their mobilehomes or recover their investments in their mobilehomes. Current rent levels vary among the parks and may be considered reasonable or unreasonable depending on what standard of reasonableness is used. However, in any case, mobilehome owners have no security against exceptional rent increases in the future. Since mobilehomes are "immobile", conventional market deterrents to exceptional increases in space rents are undercut by the fact a substantial portion or virtually all of the value of a mobilehome may be capitalized into the rents for the underlying land.

Exceptional rent increases can lead to a situation in which mobilehome owners cannot afford to remain in their mobilehomes and/or lose most of the value of their mobilehomes.

A substantial portion of the mobilehome owner households are low income. 33% of the households have an annual income of less than \$20,000. 28% have an annual income between \$20,000 and \$29,999.

A substantial portion (60%) of the mobilehome occupants are senior citizens.

A substantial portion of the mobilehome owner households have housing cost burdens in excess of federal affordability standards (30% of income). This phenomenon is standard among low-income households in all types of housing.

Consistent with trends in house prices (but not consistent with trends in apartment rents), since 2002 rent increases in the mobilehome parks have substantially exceeded the percentage increase in the CPI. In four of the five parks, rent increases have exceeded 40% compared to a 16% increase in the CPI. In one park, rents have increased by 64% during this period.

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The Authors

Kenneth Baar has a Ph.D in urban planning and is an attorney. Dorina Pojani has a Master's degree in urban planning.

Baar has researched and published extensively on housing policy and other public policy issues. His publications have been cited frequently by California, Courts of Appeal and the State Supreme Court.

He has served as a consultant to the following cities on issues related to mobilehome park space rents: Azusa, Capitola, Carpenteria, Carson, Ceres, Citrus Heights, Clovis, Cotati, Escondido, Fremont, Fresno, Healdsburg, Milpitas, Modesto, Montclair, Oceanside, Palmdale, Palm Desert, Riverbank, Rohnert Park, Salinas, San Marcos, Santa Rosa, Santa Cruz County, Santee, Simi Valley, Sonoma, Vallejo, Ventura, Watsonville, and Yucaipa.

His curriculum vitae is attached as an Appendix to this report. (A Appendix to this report.)

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Furthermore, the Court stated that: "The notion that ;... a regulation ..., takes' private property, for public use by virtue of its ineffectiveness of foolishness is untenable." In addition, the Court noted that the application of the "substantially advances" test would present "serious practical difficulties..." and "... would require courts to scrutinize the efficacy of a vast array of state and federal regulations - a task for which courts are not well suited."

In turn, the Ninth Circuit withdrew, its opinion and affirmed the District Court's opinion upholding the Cotati ordinance: 37 out 1 ordinance 37 out 1 ordinance

On the other hand, there have been successful challenges to administrative decisions in the review of fair return petitions. Commonly, these challenges have emerged in situations in which an ordinance has not provided for annual increases and cities have only permitted small rent increases for park owners who have not obtained any rent increases for years.

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E. Potential Challenges

There is no bar to bringing a legal challenge against any ordinance that Marina may adopt. However, at this time there is no precedent to support a holding that a typical ordinance would be invalid.

If a fair return petition is filed, a challenge to the administrative decision could be filed. However, Marina does not face the types of situations which are inductive to difficulties with fair return issues, such as cases in which park owners have not raised rents for years prior to the adoption of an ordinance (historically low rents) or a recent park purchaser is locked into rents set prior to the purchase of the park:

Nevertheless, any discussion of legal issues related to mobilehome space rent controls must be subject to the cayeat that judicial outcomes in this area has brought surprises and numerous instances in trial court and appellate courts have differed in their conclusions about the law. Furthermore, challenges are repeatedly brought even though the success rate for such challenges. has been very low.

XIII. Recommendations Regarding Rent Regulation In the Event that the City Elects to Adopt Rent Regulations – Drafting Guidelines A. The Need for Objective Standards

Mobilehome space rent control ordinances and/or implementing regulations should, to the degree feasible, contain objective standards, as opposed to subjective and/or open ended standards. Discretion provides fuel for complicated, costly, and lengthy, disputes. The differences between ordinances in terms of objectivity are drastic. A substantial portion of ordinances do not state how fair return shall be determined or use standards that are unworkable and/or circular in the context of a price regulation; thereby virtually assuring that fair return

27 Cushman v. Cotati 415 F.3d. 1027 (2005)

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hearings will turn into lengthy debates about what standard should be used and commonly leading to litigation. A less complex example is the difference between an ordinance (and/or implementing regulations) governing the treatment of capital improvements which sets forth the allowable interest rate and the amortization periods for various types of improvements and an ordinance which simply states that cost allowances or rent increases are authorized for capital improvements.

B. Copy Machines Are Poor Tools for Drafting Legislation

Cities should not simply copy ordinances of other jurisdictions. Often provisions from other ordinances are copied verbatim without any understanding of their meaning or implications or how they operate in practice.

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C. Automatic Annual Rent Adjustments

Ordinances should provide for automatic annual increases tied to the Consumer Price Index (CPI). The purpose of mobilehome space rent regulations is to prevent excessive rent increases, rather than to stop all rent increases. In the absence of annual rent increase provisions a petition is required for each rent increase. Due to the burdens associated with filing an individual rent adjustment petition the time periods between rent increase petitions, are usually substantial. As a result, large rent increases are commonly required to cover cost increases and provide growth in net operating income since the last rent increase. At the same time, such increases commonly are shocking to lower income households that have difficulty making ends meet, especially if their incomes are shrinking in real terms. Sometimes rent commissions find that no rent increase or only a small increase is warranted until a park owner moves for judicial intervention and a court finally finds that a large rent increase is required in order to permit a fair return.

There is no single correct answer as to what "automatic" annual increase is the best or fairest policy. There are rationales for no annual general adjustment and for increases ranging up to 100% of the rate of increase in the CPI. To the extent that annual across-the-board increases are below the increases authorized under the fair return standard, the system may become increasingly dependent on rent adjustments through fair return individual hearings.

A significant portion of California's mobilehome space rent ordinances do not include any provisions for annual across-the-board rent increases. In <u>Carson Mobilehome Park Owners Ass'n v. City of Carson</u>, the State Supreme Court ruled that annual across-the-board increases are not constitutionally required. The Court set forth possible rationale for a system of rent increases solely through individual park hearings that allows a rent board to tailor rent increases to the actual operating cost circumstances of a park.²⁸

At the same time, there is strong rationale for annual "automatic" increases tied to the CPI

28 35 Cal.3d. at 195 (1983)."

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which are adequate to allow most owners to realize growth in net operating income without having to make individual rent adjustment applications. Although the CPI might not be a precise measure of operating cost increases, it is seen as an impartial measure which reflects average cost increases and inflation in the overall economy that is not subject to manipulation. Therefore, its results are generally accepted as reasonable. Also, in times of moderate inflation annual increases tied to the CPI are consistent with the objective of preventing excessive increases. In contrast, public commissions commonly face strong pressures to not grant annual increases.

Under ordinances that tie allowable annual increases to increases in the CPI, ceilings and/or floors for those increases are common. Typically the ceiling is 6%.²⁹ Floors are typically set at 2% or 3%.³⁰

D. Vacancy <u>Decontrols</u>, Vacancy <u>Controls</u> and <u>Limited Increases upon Vacancies</u>

Most mobilehome rent ordinances contain vacancy control provisions. Some ordinances allow unlimited rent increases when a mobilehome is sold in-place. After the new mobilehome owner assumes ownership future rent increases are subject to regulation; however, the initial rent is set by the park owner. Under vacancy decontrols, current owners are protected; however, they may lose their equity in their mobilehomes if excessive rent increases are imposed at the time of a sale.

Some ordinances authorize limited increases upon vacancies - typically about 10%. Often the provisions authorizing limited increases upon vacancy, place a limit on the frequency of vacancy increases (e.g. not more than one vacancy increase in a 36 month period); others place a dollar ceiling and/or provide a floor on the amount of the vacancy increases.

²⁹ E.g. Fairfield Municipal Code, Sec. 29.4(d)(v); Petaluma Municipal Code, Sec. 6.50.040.A.2; Sonoma County Code, Sec. 2-193(a)fi.

³⁰ E.g. Contra Costa County has a floor of 2%. (Contra Costa County Code Sec. 540-2.404(a)(1),

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FOR THE COUNCIL MEETING OF NOVEMBER 19, 2019

COUNCIL AGENDA REPORT

TO:

City Council

FROM:

City Manager and City Attorney

SUBJECT: APPROVAL OF ENFORCEMENT AGREEMENT FOR MODEL LEASE

2020

RECOMMENDATION:

That the City Council adopt a resolution authorizing the Mayor to execute the enforcement agreements for the Model Lease 2020 with mobile home park owners.

BACKGROUND:

In 1999, the City Council was asked to adopt a rent control ordinance. The City Council declined and determined that the City should facilitate the creation of a 10 year Model Lease. In the July 6, 1999, staff report, the City Attorney pointed out that mobile home rent control had been considered by the City Council in 1981, 1982, 1984, and 1990, with the City Council declining to enact such a measure. The 1999 Model Lease was voluntary and consisted of four paragraphs that the park owners agreed to place in long term leases. An example of this agreement is attached as Attachment "A."

In 2009, the City facilitated the negotiation of the 2009 Model Lease, which had a ten year term. The 2009 Model Lease was based upon the lease proposals of Casa Grande, Rancho Buena Vista, and Casa Del Rio leases.

In 2018, the City Council directed the City Manager and City Attorney to facilitate a new ten year Model Lease. At that time, the park residents, through various representatives, requested that the Model Lease be enforceable, as opposed to voluntary.

Over the last year, the park owners and resident representatives have met numerous times, with the City Attorney and City Manager facilitating, to prepare a draft lease. This was accomplished in August 2019, and the City Attorney then negotiated with park owners and prepared an enforcement agreement between the City and the park owners. That document is before City Council tonight for approval.

DISCUSSION:

The residents and park owners made concessions during the negotiating process. When the parties were unable to come to a consensus, the City Attorney, as facilitator, has inserted compromise provisions.

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The purpose of the facilitated Model Lease 2020 is to provide a backstop agreement that will provide the residents with a lease that is available at any point if a negotiated long term lease is unable to be agreed upon. An example enforcement agreement and Model Lease 2020 is attached hereto as Attachment "B." The enforcement agreement imposes the obligation on the park owners to provide notice of Model Lease 2020 availability to all existing residents and new mobile home owners upon purchase.

As of the date of posting of the agenda, 4 Park owners have submitted executed enforcement agreements. These park owners represent 54 percent of the mobile home spaces within the City.

Enforcement Agreement provisions:

The enforcement agreement specifies that if a park owner and resident reach an impasse in negotiating a long term lease:

"The Model Lease attached hereto as Exhibit "A" shall be offered to the resident without addition or redaction as to its provisions other than filling in the blanks therein and adding any park-specific terms. If the Model Lease is accepted by the resident, OWNER and the resident shall enter into the Model Lease for the space in question within seven (7) days of said acceptance."

If the park owner fails to do so, after a 15-day notice period:

"The City will file a complaint for specific performance under this Agreement. OWNERS consent to an immediate temporary and permanent restraining order maintaining the current rent of the space in question from the last effective date of the prior lease to the trial on the complaint. Further, OWNERS agree to stipulate to an expedited trial date."

Additionally, the City will be entitled to its attorney's fees and costs in the event a complaint is filed.

The term of the enforcement agreement is 10 years. The City agrees to refrain from considering implementing a rent control ordinance for the term of this Agreement, in exchange for owners entering into this Agreement.

Lease provisions:

Unlike the prior Model Leases, the Model Lease 2020 is an actual, fully executable lease. It includes all statutory required provisions for a lease of real property.

Its key provisions include the following:

 Rent adjustments shall be calculated based upon one hundred (100) percent of the "United States Bureau of Labor Statistics Consumer Price Index for All Urban Consumers," as published for the B and C Class of City for the Western States index ("Index");

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• A floor rent increase of 2.5 percent if the Index is less than 2.5 percent;

- A ceiling rent increase of 6 percent if the Index is more than 6 percent;
- A 7.5 percent increase upon sale only once in a 5 year period, regardless of the number of sales that occur within that time period; and,
- A 5 or 10 year term.

Staff believes the Model Lease 2020 creates a balance between the park owners and the expressed intent of the residents. The intent of the residents for the Model Lease 2020 was expressed by representative Gary Hall, in an email to the City Attorney. The executive summary states:

Enforceable Model Lease 2020 (EML 2020) is a City of Santa Maria enforced program that has been developed to restrain the rapidly rising and often exorbitant space rents imposed on Manufactured/Mobile Homes (MH) located in Manufactured/Mobile Home parks (MHP) within the city limits of Santa Maria. EML 2020 represents a compromise and balanced approach that provides affordability protection to the MH owners' while still providing the MHP owners' access to a fair return on their investment. This is accomplished by establishing a base set of lease provisions with protective limits. Values assigned to the base set of lease provisions that are better than the limits is also allowed. The balance of the non-base lease provisions remain flexible and subject to negotiation between the MH owner and MHP owner. All MHP leases taking effect in 2020 shall conform to the EML 2020. The program is applicable to all Santa Maria MHP and will be communicated by the City of Santa Maria to all MH owners and/or residents and MHP owners. Enforcement of EML 2020 will be provided by the City of Santa Maria in the same manner as is employed for any ordinance. rule, regulation or initiative adopted by the City of Santa Maria.

Staff believes that the Model Lease 2020 and the enforcement agreement before the City Council fulfills the above goals. Of equal importance is the consent by the park owners to be bound, contractually, to the enforcement agreement.

Alternatives:

- 1. The City Council may decline to take any action. If the City Council does not take any action, the mobile home park owners and residents will continue to negotiate leases without the City's enforceable Model Lease 2020 as a backstop.
- 2. The City Council also may direct staff to explore alternatives to the facilitated Model Lease 2020 and enforcement agreement.

Fiscal Considerations

There is no fiscal impact to the City. In the event that enforcement of a City/park owner agreement is required, the City Attorney's office would litigate the action and seek recovery of all attorney's fees and costs expended from the park owner.

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Impact to the Community

The benefit to the residents of the various mobile home parks is to create stability and certainty with a "backstop" lease for a period of 10 years. The lease terms of the Model Lease 2020 would be a starting point for individual negotiations and, potentially, result in better negotiated lease terms between residents and park owners.

JASON STIĽWELL

City Manager

THOMAS T. WATSON

City Attorney

Attachments: A: Example of Model Lease 1999

B: Example Enforcement Agreement and Model Lease 2020

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I agree to offer the existing residents of my mobilehome park, who are not currently on a long-term lease, the new city-wide model lease for Santa Maria. I will draft the lease and offer it to my residents if they demonstrate, in writing, that a majority (50% plus 1) of the spaces in my park want the lease.

I understand the terms of the model lease to be as follows:

•	Term	of	Lease

Either five or ten years (the resident chooses either term.)

Annual Rent Increase

100% of the Consumer Price Index for the Los Angeles area.

• Pass-throughs

Only government mandated costs may be passed-through to the residents (taxes, fees, specials assessments).

 Vacancy Decontrol (This is the provision that specifies how much the parkowner can raise the rents when a home sells.)

A maximum of 10% of the existing rent.

Name of Park	Signature	Date

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ATTACHMENT:

AGREEMENT FOR ENFORCEMENT OF MODEL LEASE 2020

This Agreement for Enforcement of Model Lease 2020 ("Agreement") is made on
, 20, by and between
("Owner") and the City of Santa Maria, a California Municipal Corporation and charter
city ("City"), in Santa Maria, California, based on the following recitals:

WHEREAS, Owner and City desire to provide stability and maintain affordability for residents of the mobile home parks in the City of Santa Maria;

WHEREAS, the parties agree that an enforceable Model Lease provides Owner and residents with the flexibility to negotiate their own lease terms, but serves as a backstop to prevent impasses in the negotiation process;

WHEREAS, City intends to provide residents with appropriate lease protections and Owner has agreed thereto; and

WHEREAS, City has agreed to refrain from considering implementing a rent control ordinance for at least the term of this Agreement, in exchange for Owner entering into this Agreement.

NOW, THEREFORE, IT IS AGREED:

1. Recitals true. The above recitals are true.

2. General.

- 2.01. <u>Term and Termination.</u> The term of this Agreement is ten (10) years, beginning on the date first written above. This Agreement may be extended by mutual consent of the parties.
- 2.02. Services to be Performed. In the event that an existing resident or a new, approved resident and Owner are unable to agree upon a negotiated long-term lease within sixty (60) days of the resident's purchase of a mobile home located in Owner's mobile home park, or within sixty (60) days of the expiration of a prior lease for a space in Owner's mobile home park, the Model Lease attached hereto as Exhibit "A" shall be offered to the resident without addition or redaction as to its provisions other than filling in the blanks therein and adding any park-specific terms. If the Model Lease is accepted by the resident, Owner and the resident shall enter into the Model Lease for the space in question within seven (7) days of said acceptance.
- 2.03. <u>City's Duties.</u> City will provide a fifteen (15) day notice to cure any default under this Agreement ("cure period"), after receipt of notice from a resident that Owner failed to comply with Paragraph 2.02 above.
- 2.04. Exhibit "A" is the Model Lease, which is attached hereto and incorporated herein by this reference.

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3. Remedies for Breach.

3.01. Specific Performance. Owner agrees that if City provides the notice to cure referenced at Paragraph 2.03 above, and Owner and the resident do not enter into a negotiated long-term lease, or the Model Lease, by the end of the cure period, City will file a complaint for specific performance under this Agreement. Owner consents to an immediate temporary and permanent restraining order maintaining the current rent of the space in question from the last effective date of the prior lease to the trial on the complaint. Further, Owner agrees to stipulate to an expedited trial date. If the trial does not occur before the next annual rent increase under the prior lease, Owner shall be entitled to that rent increase and shall forego the annual rent increase included in Minimum Guaranteed Monthly Rent under the Model Lease, so long as the latter occurs less than twelve (12) months after the former. If the latter occurs more than twelve (12) months after the former, Owner shall be entitled to both rent increases.

- 3.02. <u>Notice.</u> Owner shall provide copies of this Agreement and Exhibit "A" to all existing residents of its mobile home park within sixty (60) days of the execution of this Agreement. Owner shall also provide copies of this Agreement and Exhibit "A" to all new, approved residents of its mobile home park as a result of any transfer of any mobile home therein, whether through sale, foreclosure, inheritance or gift, prior to said residents entering into new leases with Owner.
- 3.03. Attorney's Fees. To the fullest extent permitted by law, the prevailing party in any action based upon this Agreement shall recover all reasonable attorney's fees, costs and expert fees incurred in the enforcement of this Agreement.

4. Miscellaneous

4.01. <u>Notices.</u> All communications relating to this Agreement shall be exchanged between a designated representative of City and a designated representative of Owner, listed below. All notices shall be addressed as follows, unless a written change is filed with City:

To City: Attn. City Manager 110 East Cook Street Santa Maria, CA 93454 To Owner: [insert name and address of Owner's representative]

If the name or address of the designated representative for either party changes during the term of this Agreement, a written notice shall be given to the other party prior to the effective date of the change. Any written notices required under this Agreement shall be effective five (5) days after deposit into United States mail, postage prepaid, addressed to the designated representative, or upon confirmation of receipt of delivery if another notification process is used.

- 4.02. <u>Compliance with Laws, etc.</u> Owner shall comply with all laws, including but not limited to the Santa Maria Municipal Code, in performing this Agreement.
- 4.03. <u>Integration.</u> This Agreement constitutes the entire agreement of the parties with respect to the subject matter thereof. All modifications, amendments, or waivers of the terms of this Agreement must be in writing and signed by the appropriate

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representatives of the parties.

- 4.04. Interpretation. This Agreement shall be interpreted in accordance with the laws of the State of California.
- 4.05. <u>Jurisdiction</u>. Jurisdiction and venue of all disputes over the terms of this Agreement shall be in the Cook Division of the Superior Court of the County of Santa Barbara, State of California.
- 4.06. Warranty of Authority. Each person signing this Agreement on behalf of a party warrants that he or she has authority to do so.
- 4.07. No Waiver, Failure to enforce with respect to a default shall not be construed as a waiver.
- 4.08. Severability. The provisions of this Agreement are severable. If any part of this Agreement is held invalid by a court of competent jurisdiction, the remainder of this Agreement shall remain in full force and effect unless amended or modified by mutual written consent of the parties.

IN WITNESS WHEREOF, this Agreement for Enforcement of Model Lease 2020 is executed by the parties on the date first written above.

[insert name of Owner]	CITY OF SANTA MARIA, a political subdivision of the State of California		
By: [insert name of Owner's representative]	Alice M. Patino Mayor		
ATTEST:			
Rhonda M. White, CMC Chief Deputy City Clerk	APPROVED AS TO FORM:		
	Risk Manager		
	City Attorney		

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LEASE AGREEMENT

THIS LEASE SHALL BE EXEMPT FROM ANY ORDINANCE, RULE, REGULATION, OR INITIATIVE MEASURE ADOPTED BY ANY LOCAL GOVERNMENTAL ENTITY WHICH ESTABLISHES A MAXIMUM AMOUNT THAT A LANDLORD MAY CHARGE A TENANT FOR RENT.

This Lease Agreement ("Lease") is made and executed this day of, 20, by and between
1. <u>Leased Premises</u> . Owner hereby leases to Resident, and Resident hereby leases from Owner, that certain Space ("Space"), situated in ("Park").
2. Term. The initial term of this Lease shall be five (5) or ten (10) years, commencing, 20, and terminating, 20 In the event that the term of this Lease commences on any day other than the first day of the month, the rent for the partial month shall be prorated on the basis of a thirty (30) day month, and the prorated amount shall be paid promptly by Resident to Owner.
3. Rent and Security Deposit.
A. Minimum Guaranteed Monthly Rent. Resident shall pay to Owner as rent, without deduction, setoff, prior notice or demand, the sum of \$
The Minimum Guaranteed Monthly Rent may be adjusted on each anniversary of the Lease according to the following formula: The adjustment shall be calculated based upon one hundred (100) percent of the "United States Bureau of Labor Statistics Consumer Price Index for All Urban Consumers," as published for the B and C Class of City for the Western States index ("Index"). The annual adjustment shall be no less than two and one half percent (2.5%) of the previous rent, and no more than six percent (6.0%) of the previous rent, regardless of the amount of the Index, if more than six (6) percent. Owner's failure to notify Resident in a timely manner of an adjustment to the Minimum Guaranteed Monthly Rent shall not preclude Owner from notifying Resident

designate in writing.

thereof at a later date and collecting the increase in the rent from the date of the notice to Resident. All rent shall be paid at the Park office, or such other place as Owner may

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An additional adjustment shall be made each January 1 during the term of the Lease, to reflect 1/12 of 1/ [insert number of spaces in park] of any government mandated or non-government mandated capital expenditures assessed against or applicable to the Park or the Space, including, but not limited to, any increase in real estate taxes in excess of two percent (2.0%) over the prior year's real estate taxes. all government mandated capital expenditures, capital expenditures required by the Park's insurance company and/or lender, capital expenditures over Ten Thousand Dollars (\$10,000.00) that are not government mandated but are approved by the residents, and capital expenditures equal to or under Ten Thousand Dollars (\$10,000.00) that are not government mandated, whether approved by the residents or not.

Capital expenditures shall be characterized by Owner's accountant in accordance with sound accounting principles and the Internal Revenue Code, and shall not include items of repair or maintenance. "Capital Expenditure" means any capital outlay or project with a useful life of at least one (1) year that provides a betterment or addition to the Park, including the replacement of a component part of an asset by an improved or superior asset resulting in a more productive, efficient and longer-lived property. "Betterment" is considered capital outlay when it is "significant," i.e., generally twenty percent (20.0%) or greater of the market value of the component part of the asset. "Maintenance" means any expenditure for repair or alteration to a facility, which neither materially adds to the value of the facility, nor appreciably prolongs its life. Maintenance expenses shall not be passed through or charged back to Resident.

Those Capital Expenditures deemed necessary by Owner that are not mandated by a governmental agency and cost over Ten Thousand Dollars (\$10,000,00) shall only have the balance over Ten Thousand Dollars (\$10,000.00) charged back to Resident if the Capital Expenditure was approved by a majority vote of the residents (one vote per space) before it was charged back. Should a majority of the residents not approve a Capital Expenditure costing over Ten Thousand Dollars (\$10,000.00), Resident shall pay as additional monthly rent during the useful life of the Capital Expenditure an amount equal to 1/12 of 1/____ [insert number of spaces in park] of the first Ten Thousand Dollars (\$10,000.00) of the cost of the Capital Expenditure's annual depreciation, calculated using a straight line method of depreciation as determined by Owner's accountant. Except for Capital Expenditures approved by a majority of the residents, only one (1) non-government mandated Capital Expenditure may be passed through to the residents in any calendar year.

As used herein, "real estate tax" shall include, but not be limited to, all assessments, whether regular or special, and all other items, including, but not limited to. sewer charges reflected on a real estate tax bill, or similar bill, prepared by the Santa Barbara County Tax Assessor.

In addition to the Minimum Guaranteed Monthly Rent or Adjusted Minimum Guaranteed Monthly Rent, Resident shall pay vehicle and recreational vehicle storage charges by separate agreement, if facilities for such storage are provided by Owner.

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В. Security Deposit. Upon initial occupancy in the Park, at Owner's option, Resident shall deposit with Owner the sum of one (1) month's rent as a security deposit for the performance by Resident of the provisions of this Lease. If Resident defaults on the Lease, Owner may use the security deposit, or any portion thereof, to cure the default or compensate Owner for any damage sustained as a result of the default. Resident shall, immediately upon demand, pay to Owner a sum equal to the portion of the security deposit used by Owner as provided in this paragraph, so as to maintain the security deposit in the sum initially deposited with Owner. If Resident is not, upon the expiration or termination of this Lease, in default, Owner shall return the security deposit to Resident. Owner's obligation with respect to the security deposit is that of a debtor and not a trustee. Owner may maintain the security deposit separate and apart from Owner's general funds, or may co-mingle the security deposit with Owner's general and other funds. Owner shall not be required to pay Resident interest on the security deposit. If Resident pays all rent, utilities and reasonable service charges owing to Owner within five (5) days of the date such amounts are due for any consecutive twelve (12) month period, or upon resale of the mobile home, whichever is earlier, and makes a written request for return of the security deposit, the security deposit shall be returned to Resident within thirty (30) days following the end of the twelve (12) month period, or the date of resale of the mobile home.

4.	Utilities.		

[list those utilities that are included in rent and/or paid to the park] Resident shall contract with and pay directly to the applicable providers the costs of all other utilities required by Resident. If Resident fails to pay any utility costs and such failure results in a lien being placed on Owner's property, the amount owing shall be added to Resident's monthly statement, as additional monthly rent, and shall be paid by Resident upon receipt thereof. Resident shall contact the appropriate providers to commence service. Owner shall not be liable for, and Resident shall not be entitled to, any abatement or reduction of rent by reason of any failure to furnish any of the foregoing utilities, when such failure is caused by accident, breakage, repair, strikes, lockouts or other labor disputes of any nature, any force majeure, or by any other cause, similar or dissimilar, beyond the reasonable control of Owner. Owner shall not be liable under any circumstances for loss of or injury to property, however occurring, through or in connection with or incidental to any failure to furnish any of the foregoing utilities, with the exception of willful misconduct or gross negligence of Owner. Resident shall not connect, except through existing electrical outlets, natural gas or water pipes on the Space, any apparatus or device for the purpose of using electricity, natural gas or water.

5. Maintenance. Resident shall keep and maintain the Space, and every part thereof, in first class repair and condition. The Park may charge a reasonable fee, which shall be additional rent, for services relating to the maintenance of the Space in the event that Resident fails to maintain it in accordance with the Park's Rules and Regulations and the other Park documents. The Park may charge the fee only after it has notified Resident in writing of such failure and Resident has not complied within

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fourteen (14) calendar days. The written notice shall state the specific condition to be corrected, and an estimate of the fee to be charged if Resident does not correct the condition and the Park or its agents do so.

- Late Charges. Resident acknowledges that late payment by Resident to Owner of the Minimum Guaranteed Monthly Rent or Adjusted Minimum Guaranteed Monthly Rent will cause Owner to incur costs not contemplated by this Lease, the exact amount of such costs being extremely difficult and impracticable to fix. Such costs include, without limitation, processing and accounting charges and the late charges that may be imposed on Owner by the terms of any encumbrance and/or note secured by any encumbrance covering the Space. Therefore, if any payment due from Resident is not received by Owner within five (5) calendar days of its due date. Resident shall pay to Owner an additional sum of [insert flat amount or percentage of overdue payment] as a late charge, which shall be additional monthly rent. The parties agree that this late charge represents a fair and reasonable estimate of the costs Owner will incur by reason of late payment by Resident, and that acceptance of any late payment or late charge shall not constitute a waiver of Resident's default with respect to the overdue amount, nor prevent Owner from exercising any of the other rights and remedies available to Owner. Additionally, there will be a \$ [insert amount] handling charge for all checks dishonored by Resident's bank for any reason.
- 7. Default and Owner's Remedies. Resident shall be in default and in breach of this Lease if Resident does not pay the monthly rent when the same becomes due, or does not pay any other charge for which Resident is liable when the same becomes due, or if Resident fails to cure a breach of any other term of this Lease, including the documents incorporated herein, after receipt of notice from Owner of the nature of the breach. Upon default, Owner shall have all remedies available under this Lease and the then-applicable California law. Such remedies include, but are not limited to, the filing of a complaint for unlawful detainer, which will go to trial within twenty (20) days of the Park's filing of a request to set for trial, and which may be followed by an eviction by the Sheriff's Department within five (5) calendar days of entry of judgment and issuance of a writ of possession. Judgment will include all past due rent, utilities and other charges, holdover rent, utilities and other charges, and the Park's attorney's fees and costs as ordered by the court
- **8.** Owner's Lien. The Park may assert a lien on Resident's mobile home, if any, pursuant to *Civil Code* Section 798.38, as it may be revised from time to time.
- 9. <u>Abandonment Prohibited</u>. Resident shall not abandon the Space at any time during the term of this Lease. Abandonment is defined as a failure to occupy the Space, and a failure to pay rent on the Space for at least sixty (60) days, without giving written notice to Owner of an intention not to occupy the Space for such a period. Should Resident abandon the Space, Resident shall not be relieved of any of the obligations under this Lease, including, but not limited to, the obligation to make timely rent payments.

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10. Owner's Right of Entry. Resident shall permit Owner, or its authorized agents, to enter upon the Space for the purposes listed in *Civil Code* Section 798.26. To the extent possible, such entry shall not be in a manner or at a time that would unreasonably interfere with Resident's quiet enjoyment of the Space. Owner may enter Resident's mobile home or enclosed accessory structure without Resident's prior written consent in case of an emergency or when Resident has abandoned the mobile home or accessory structure.

11. <u>Age Restrictions and [delete the foregoing if not a senior park]</u> Prohibited Uses. The Park is for seniors only. The age restrictions applicable to all residents are stated in the Park's Rules and Regulations. [delete the foregoing two sentences if not a senior park]

Resident shall not use or permit the Space, or any part thereof, to be used for any purpose other than a residence for the persons named herein, all of whom must comply with all duties and obligations imposed upon Resident hereunder respecting the use and occupancy of the Park and the Space. No other persons may reside at the Space without the prior written permission of Owner, which shall not be unreasonably withheld. Written permission is required from Owner for guests visiting longer than twenty (20) consecutive days or a total of thirty (30) days in a calendar year, and such guests may be charged a guest fee.

In order to comply with Department of Housing and Community Development requirements, Resident must provide the Park with a copy of the most recent registration on his or her mobile home.

- 12. <u>Indemnification</u>. Resident hereby waives all claims against Owner for any damage or injury to Resident or Resident's property occurring on the Space or in the Park at any time arising by reason of any cause other than the negligence, gross negligence or willful misconduct of Owner or its employees. Resident hereby agrees to indemnify, defend, protect and hold Owner harmless from liability for Resident's failure to properly repair and maintain the mobile home and the Space, or the negligence of Resident, any person residing with Resident, or Resident's guests. Resident shall pay immediately upon written demand from Owner for any damage to the Space or the Park caused by Resident, any person residing with Resident, or Resident's guests.
- 13. <u>Insurance</u>. Resident understands and hereby acknowledges that Owner does not provide insurance for damage to or loss of Resident's mobile home, accessory structures, household goods, furnishings or other personal property. Resident must obtain such insurance in an amount equal to the value of those items. Such insurance shall include, but not be limited to, liability coverage of not less than One Hundred Thousand Dollars (\$100,000.00) for bodily injury and property damage occurring on the Space as a result of the negligence of Resident, any person residing with Resident, or Resident's guests. Resident shall be solely liable for Resident's failure to maintain such insurance.

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14. Attorney's Fees. In the event of any dispute arising out of or in any way related to this Lease, including the interpretation or enforcement thereof, the prevailing party in such dispute shall be entitled to reimbursement for its actual attorney's fees, if reasonable, and all other costs of such dispute actually and necessarily incurred, including fees and costs incurred. This agreement is made for the benefit of the Owner, Resident, and by extension the City of Santa Maria. The City may enforce any provisions provided herein as an express third party beneficiary of this agreement.

- 15. <u>Waiver by Owner</u>. The waiver by Owner, or any failure of Owner to take action for breach of any term, covenant or condition in this Lease, shall not be deemed a waiver of such term, covenant or condition, or subsequent breach thereof, or any term, covenant or condition herein. The subsequent acceptance of rent by Owner shall not be deemed to be a waiver of any preceding breach by Resident of any term, covenant or condition in the Lease, other than the failure of Resident to pay the particular rent so accepted, regardless of Owner's knowledge of such preceding breach at the time of accepting such rent.
- 16. Holding Over. Any holding over after the expiration of the term of this Lease shall be construed to be a tenancy from month to month at the monthly rental as adjusted in accordance with the terms of this Lease, and shall otherwise be on the terms and conditions herein specified so far as applicable. Notwithstanding the foregoing, the amount of rent due for such period of holding over may be altered in accordance with the terms of the Mobile home Residency Law, *Civil Code* Section 798, *et seq.* ("Mobile home Residency Law").
- Resident's mobile home at any time pursuant to the rights and obligations of Resident and Owner under California law. Resident must, however, give Owner sixty (60) days' written notice of Resident's intent to vacate his or her tenancy and allow his or her mobile home to remain in the Park. One purpose of the notice is to enable the Park to schedule and perform an inspection upon sale pursuant to *Civil Code* Section 798.73.5. If a prospective buyer of the mobile home intends for the mobile home to remain in the Park, said prospective buyer must (1) complete an application for residency; (2) be approved for residency by Owner, including being in compliance with the Park's age restrictions, as stated at Paragraph 11 above and in the Park's Rules and Regulations [delete after "Owner" if not a senior park]; (3) execute a lease agreement; and (4) execute and deliver to Owner copies of the documents listed at Paragraph 23 below, all of which are incorporated by reference as though fully set forth herein.

Upon any sale or transfer of Resident's mobile home to any person other than an immediate family member, defined as Resident's parents or children, the Minimum Guaranteed Monthly Rent or Adjusted Minimum Guaranteed Monthly Rent may be increased by up to seven and one half percent (7.5%) but in no event shall it exceed seven and one half percent (7.5%). An adjustment on sale may only be made once every five (5) years, regardless of the number of sales which occur during that time frame, if this lease is for a term of more than five years. The rent will not be

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increased upon any transfer to Resident's immediate family members, but such persons must meet the residency requirements if they wish to reside in the Park, and the rent will be increased when such persons sell the mobile home to a person who is not an immediate family member. All other terms of the lease agreement between the Park and the buyer shall not differ substantially from the terms of this Lease.

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			_								
[Insert	whether	subletting	İS	allowed	only a	ıs	required	by	Civil	Code	Section

798.23.5 or under additional circumstances]

- 18. Responsibility of Owner. In addition to the utilities specified above as provided by Owner, if any, Resident shall enjoy for so long as this Lease shall remain in effect and Resident shall not be in default hereof, the non-exclusive use of the common areas of the Park, including, without limitation, all streets, drives and non-restricted parking areas, all recreational facilities, buildings, pools (except as prohibited by law), and all conveniences. [revise as applicable] Resident's use of all such services and facilities shall be limited and restricted as specified in this Lease and by the Park's Rules and Regulations as legally adopted from time to time. Except as otherwise provided herein, Owner agrees to provide and maintain these common areas in good working order and condition, and to continue such services and facilities without addition, alteration, depletion of services, equipment or physical improvements for the period of Resident's occupancy of the Space, except to the extent that Owner is prevented from doing so by good cause, accident, breakage, repairs, strikes, lockouts or other labor disturbances of any nature, force majeure, or by any other cause, similar or dissimilar, beyond the reasonable control of Owner.
- 19. <u>Notice of Changes to Rules and Regulations, Etc.</u> The Park's Rules and Regulations, the other Park documents, and the Park's maintenance standards, services, equipment and physical improvements may be changed from time to time as provided by the Mobile home Residency Law. Management shall meet and consult with the residents upon written request, either individually, with duly elected representatives, or collectively, on the following matters: (a) amendments to Rules and Regulations; (b) maintenance standards regarding physical improvements in the Park; and (c) additions to or alterations or deletions of services, equipment, or physical improvements. Any collective meeting shall be conducted only after notice thereof has been given to all requesting residents ten (10) calendar days prior to the date set for the meeting.
- **20.** <u>Subordination</u>. This Lease is subordinated to all current encumbrances on the Park, and at the option of a lender or proposed lender of Owner, it shall be subordinated to future encumbrances placed on the Park by Owner. Resident agrees to execute any instrument or document necessary to effect any such subordination within five (5) business days of request by Owner.

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- **21.** Transfer of Owner's Interest. In the event that Owner transfers its interest in the Park, or any portion thereof, Owner shall be relieved of any obligations hereunder accruing after the date of such transfer, and such obligations shall be assumed by the transferee, provided that Owner shall not transfer said interest unless the transferee is reasonably capable of discharging Owner's obligations hereunder.
- 22. <u>Management of the Park</u>. Owner shall be represented by management and/or its other authorized agents, who shall be vested with all legal right and authority to act on behalf of Owner, and to enforce on behalf of Owner this Lease and the documents incorporated into the Lease, unless said right and authority have been specifically reserved to Owner. Management and/or Owner's other authorized agents' decisions shall be final. The term "management," as used in the Lease and the documents incorporated into the Lease, shall mean Owner, the Park manager(s), and/or Owner's other authorized agents.
- 23. <u>Incorporated Documents</u>. The following documents, as they may be amended from time to time, are incorporated herein by this reference, and Resident acknowledges receipt of copies thereof:
- A. The current Mobile home Residency Law, a copy of which is attached hereto as Exhibit "A";
- B. The Park's current Rules and Regulations, a copy of which is attached hereto as Exhibit "B";

__. [insert additional Park documents];

__. The document entitled "Important Notice to All Manufactured Home/Mobile Home Owners," required by *Civil Code* Section 798.15(i), a copy of which is attached hereto as Exhibit "__"; and

__. The document entitled "Mobile home Park Rental Agreement Disclosure Form," required by *Civil Code* Section 798.75.5, a copy of which is attached hereto as Exhibit "__."

In addition to the foregoing, the use of the clubhouse, recreational and other Park facilities is conditioned upon compliance with the rules and regulations posted in and around said facilities, as said rules and regulations may be amended from time to time, and said rules and regulations are incorporated herein by this reference.

24. Megan's Law Notice. The following notice is provided for Resident's information, and must be provided in all residential rental agreements:

Pursuant to Section 290.46 of the Penal Code, information about specific registered sex offenders is made available to the public via an Internet website maintained by the Department of Justice at www.meganslaw.ca.gov. Depending on an offender's

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criminal history, this information will include either the address at which the offender resides, or the community of residence and ZIP code in which he or she resides.

The law further provides that based on this notification, the Park, the seller of the mobile home, and the real estate broker(s), are not required to provide information in addition to that contained in the notice regarding the proximity of registered sex offenders. The information in the notice is deemed to be adequate to inform the prospective buyer of the mobile home about the existence of a statewide database of the locations of registered sex offenders and information from the database regarding those locations. The information in the notice will not give rise to any cause of action against the disclosing party by a registered sex offender.

25. <u>Inspection of Premises</u>. By signing this Lease, Resident acknowledges that Resident has carefully inspected the Space and all of the Park's facilities, has found them to be in good and sanitary order, condition and repair as represented by Park to Resident, either orally or in writing, and to the extent that they are not exactly as represented, either orally or in writing, agrees to accept them as they are.

26. Miscellaneous Provisions.

A.	Time of Essence:	Time is of the essence in this Lease.

B. <u>Captions</u>: The captions to the various paragraphs and subparagraphs of this Lease are for convenience and ease of reference only, and do not define or limit the scope, content or intent of this Lease.

C. <u>Severability</u>: If any particular part of this Lease should be determined to be invalid, unenforceable or otherwise illegal, such part shall be severed therefrom, and the remaining clauses and parts thereof shall remain in full force and effect.

D. <u>Notices</u>: All notices and demands required to be given hereunder shall be deemed, unless the law provides otherwise, to be received upon the earlier of (i) delivery to the person to be notified; or (ii) two (2) days after being deposited in the United States mail with postage prepaid and addressed to the party to be notified at the last address on file with the party giving notice.

E. <u>Zoning</u>	<u>, Etc.</u> : The zoning of the P	ark is [insert zoning]. The
Park operates under a per	rmit that does not have a	an expiration date [OR The Park
operates under a permit	that expires on]. The Park operates under a
land lease that expires on	[OR The Parl	k does not operate under a land
lease].		

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27. Information Regarding Mobile Home and Legal Owner Thereof.

Resident understands that Owner is entitled to know the legal owner of Resident's mobile home, if other than Resident, and that Owner is required by law to send copies of certain notices to the legal owner, so Resident hereby provides that information:

Name:

Name:
Address:
In addition, Resident understands that Owner is entitled to know the facturer, model, year of manufacture and decal number of the mobile home, so ent hereby provides that information:
Manufacturer: Model:
Year of Manufacture:
Decal Number:

Resident agrees to update the foregoing information in the event that it changes during the term of this Lease.

28. Acknowledgments. Owner and Resident agree that this Lease, and the documents incorporated herein, contain the entire agreement between the parties. All prior negotiations or agreements that preceded or accompanied the execution of this Lease are conclusively deemed to have been superseded. This Lease may be altered only by written agreement of Owner and Resident, or by operation of law. Resident acknowledges that Resident has received, read and understood copies of this Lease, and the exhibits hereto, including a copy of the current Mobile home Residency Law, and agrees to be bound by their terms.

Resident also acknowledges that Resident had at least thirty (30) days from the date this Lease was first offered to Resident to accept or reject it.

Finally, Resident acknowledges that Resident had seventy-two (72) hours after signing this Lease and returning it to management to notify management in writing that Resident wished to void the Lease, and that Resident did not provide any such notification.

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The parties hereto have executed this Lease Agreement as of the date first

noted above.

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ATTACHMENT:

RANCHO DEL BORDO MOBILE HOME ESTATES

10025 El Camino Real Atascadero, Ca 93422 805-466-2400

TEN- YEAR LEASE

THIS AGREEMENT WILL BE EXEMPT FROM ANY ORDINANCE, RULE, REGULATIONS, ADMINISTRATIVE DECISION, OR INITIATIVE MEASURE ADOPTED BY ANY LOCAL GOVERNMENTAL ENTITY THAT ESTABLISHES A MAXIMUM AMOUNT THAT MAY BE CHARGED FOR RENT.

(hereinafter "Homeowners") agree that Homeowners may lease Space No. 120 months, beginning unless this agreement is terminated or renewed pursuant to the terms and conditions specified in this agreement.
The initial rent will be per month.
For purposes of this lease, the term "Homeowners" is used as the term is used in the Mobile home Residency Law, Civil Code 798.9, to refer to persons who have a tenancy in the Park under a rental agreement.
 FACILITIES AND SERVICES PROVIDED BY PARK; MAINTENANCE RESPONSIBILITIES OF PARK AND HOMEOWNERS.
1.1 Inspection of Facilities and Services by Homeowners
By signing this agreement, Homeowners acknowledge that they have carefully inspected the space to be leased and the Park's facilities and have found them to be in every respect as represented by the Park to them, either orally or in writing, and to the extent that they are not exactly as represented, accept them as they are, except for the following:
Homeowners further acknowledge that they have read the Park's disclosure statement and accept the conditions described in it. Homeowners agree to notify the Park in writing if any problems should develop in the future with respect to the space and the Park's facilities.
1.2 Park Responsibility for maintenance of Common Facilities

a. List the Park's responsibility to maintain the physical improvements in the common areas of the Park in good working order and condition. With respect to sudden or unforeseeable breakdown or deterioration of these improvements, the management shall have a reasonable period of time to repair the sudden or unforeseeable breakdown or deterioration and bring the improvements into good working order and condition after the Management knows or should have known of the breakdown or deterioration. The Park shall not be liable for any loss, damage or injury to homeowners, their guests, or their visitors, arising out of any condition existing in the Park, unless resulting from the negligence or willful acts of the Park or its employees.

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The Park will provide the following common facilities: streets and street lights, parking areas, mallboxes, a clubhouse, a swimming pool (heated from May 15th to October 15th consistent with energy conservation requirements), a satura, a jacuzzi, and a billiard room without charge throughout the term of this agreement. The Park may provide other facilities and services during the term of this agreement, but reserves the right to discontinue them or provide them for a separate charge. Homeowners' use of the facilities will be limited by the rules included in the Park rules and those rules posted at the facilities. The Park may change these rules in accordance with the Mobilehome Residency

- Homeowners understand that the Park is not a "security" park. The Park is not responsible for policing the conduct of other residents or ensuring that others in the community comply with the Park rules. The Park shall not be held liable for dog bites, property damage, vandalism, theri, nulsance, or any wrongful act, unless caused by the actions (as opposed to omissions) of its employees.
- Homeowners understand that the owners of the Park are not responsible for any damage to the mobilehome space, landscaping, or structures located on the space due to earth movement, fires or weather conditions. To the extent that such occurrences damage the common facilities, the Park shall be responsible for maintenance or repair of the facilities.

Homsowners' Responsibility for Maintenance of Mobilehome and Space 1.3

- a. Homeowners are responsible for maintaining their mobilehome and all landscaping, structures and improvements on the mobilehome site in accordance with the Park rules. This responsibility includes: (1) inspecting and maintaining the electrical wiring, plumbing, and appliances on the mobilehome space up to the pedestal; (2) ensuring that the mobilehome and accessory structures are Installed and maintained in compliance with the Park rules, as well as government regulations; (3) ensuring that any landscaping or lot alterations do not damage utility lines or interfere with drainage patterns on the space; (4) inspecting and releveling the mobilehome on a regular basis; (5) avoiding encroachment on neighboring lots; and (6) pest control on Homeowners' space. The Park shall not be liable for any loss or injury that could have been avoided by performance of Homeowners' maintenance responsibilities.
 - The Park may assist Homeowners without assuming Homeowners' responsibilities. Any work performed by the Park or any assistance provided to Homeowners by the Park in installation, repair, improvement, or inspection of the mobilehome, driveway, landscaping, or other improvements to the mobilehome space shall not relieve Homeowners of their responsibility to maintain the site or to ensure that work performed on the site is done properly.
 - The Park employees are not qualified to advise Homeowners concerning state and local laws governing installation of mobilehomes or accessory structures. The Park approval of Homeowners' plans for installing structures will not relieve Homeowners of the responsibility for obtaining the necessary permits and complying with applicable law.
 - The Park may charge a reasonable fee for services relating to the maintenance of the land and pramises upon which Homeowners' mobilehome is situated if Homeowners fall to maintain the land or premises in accordance with the Park rules after written notification to Homeowners and the failure of Homeowners to comply within 14 days. The written notice shall state the specific conditions to be corrected and an estimate of the charges to be imposed by the Park if the services are performed by the Park or the Park's agent.
 - Homeowners understand that they must contract directly with the electric company to obtain electrical service. Park does not provide electricity to individual lots nor is it responsible for electrical service in any way. Homeowners further understand that the Park's electrical system may not be sufficient to accommodate all of the electrical appliances Homeowners may want to install. Homeowners are responsible for ensuring that electrical appliances do not exceed the capacity of the Park's electrical system, and agree to comply with the Park rules relating to electrical appliances. Homeowners shall be financially liable for any damage to the Park's electrical system that results from

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exceeding the capacity of the electrical system of the space if the system meets the regulatory standards applicable to the Park.

- For some lots, electric meters will record use of electricity due to street lighting. In such cases, the rent has been reduced to reflect the average amount of electricity attributable to the street lighting. Homeowners agree to pay all charges for electricity, without further deduction or offset due to street lighting.
- Because the Park's electrical service delivery system is subject to minor momentary and transient voltage surges, fluctuations and disruptions, which may occur in the normal operation of the Park's electrical system and which are beyond the control of the Park, Homeowners are solely responsible for obtaining auxiliary protective devices on the load side of the service delivery to protect their electrical equipment from these voltage surges, fluctuations, and disruptions.
- Homeowners understand that the Park's sewage system is susceptible to blockage and damage if grease, paper towels, sanitary napkins, tampons, tea bags, diapers, Q-tips, etc., are put through the sewage system. Homeowners agree to pay for related repairs, if it is determined that Homeowners are responsible for clogging the sewage system.
- Homeowners agree to remove any accessory structures or landscaping installed contrary to the Park rules within 7 days after receipt of a written request by the Park.
- With the exception of trees that create a hazard, Homeowners understand that it is their responsibility to maintain the landscaping on their space, which includes maintaining any trees located on the space so that they do not encroach on other spaces, extend to the streets, or create an unsightly appearance.
- Homeowners shall be personally responsible for controlling their conduct, the conduct of their guests, and the conduct of their pets to avoid disturbing other Homeowners.
- Homeowners agree to defend, indemnify and hold Park harmless against any claims by other Homeowners or other persons that anse from Homeowners' fallure to comply with the terms of this agreement or the Park rules, or violation of the Park rules by Homeowners guests, visitors, and contractors. Homeowners agree to be personally responsible for all damage caused by any contractors that Homeowners hire.
- To the extent that occurrences such as earth movement, fires or weather conditions damage the condition of the mobilehome space and the mobilehome located on the space, Homeowners shall be responsible for maintenance and repair or obtaining necessary insurance to cover damage resulting from these conditions. Homeowners understand that installation of the mobilehome and accessory structures in compliance with regulations promulgated by the Department of Housing and Community Development, Title 25 of California Code of Regulations, and regular maintenance, such as relevelling the mobilehome, painting, waxing, weathering and weather proofing the home, have been known to prevent or minimize damage due to natural occurrences. Homeowners will also be responsible for continued payment of rent, even if natural disasters or factors not within the control of the Park render the mobilehome space uninhabitable.
- Homeowners are responsible for obtaining their own insurance to protect themselves, their guests, and their visitors from liability, property damage or injury. Any insurance the Park maintains is solely for situations where the Park would be legally liable for loss, damage, or injury. If Homeowners wish to obtain protection for liability, fire, floods, earthquakes, or other casualties, they should obtain extended coverage for their mobilehomes at their own expense.

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exceeding the capacity of the electrical system of the space if the system meets the regulatory standards applicable to the Park.

- For some lots, electric meters will record use of electricity due to street lighting. In such cases, the rent has been reduced to reflect the average amount of electricity attributable to the street lighting. Homeowners agree to pay all charges for electricity, without further deduction or offset due to street lighting.
- Because the Park's electrical service delivery system is subject to minor momentary and transient voltage surges, fluctuations and disruptions, which may occur in the normal operation of the Park's electrical system and which are beyond the control of the Park, Homeowners are solely responsible for obtaining auxiliary protective devices on the load side of the service delivery to protect their electrical equipment from these voltage surges, fluctuations, and disruptions.
- Homeowners understand that the Park's sewage system is susceptible to blockage and damage if grease, paper towels, sanitary napkins, tampons, tea bags, diapers, Q-tips, etc., are put through the sewage system. Homeowners agree to pay for related repairs, if it is determined that Homeowners are responsible for clogging the sewage system.
- Homeowners agree to remove any accessory structures or landscaping installed contrary to the Park rules within 7 days after receipt of a written request by the Park.
- With the exception of trees that create a hazard, Homeowners understand that it is their responsibility to maintain the landscaping on their space, which includes maintaining any trees located on the space so that they do not encroach on other spaces, extend to the streets, or create an unsightly арреагалсе.
- Homeowners shall be personally responsible for controlling their conduct, the conduct of their quests, and the conduct of their pets to avoid disturbing other Homeowners.
- Homeowners agree to defend, indemnify and hold Park harmless against any claims by other Homeowners or other persons that arise from Homeowners' failure to comply with the terms of this agreement or the Park rules, or violation of the Park rules by Homeowners' guests, visitors, and contractors. Homeowners agree to be personally responsible for all damage caused by any contractors that Homeowners hire.
- To the extent that occurrences such as earth movement, fires or weather conditions damage the condition of the mobilehome space and the mobilehome located on the space. Homeowners shall be responsible for maintenance and repair or obtaining necessary insurance to cover damage resulting from these conditions. Homeowners understand that installation of the mobilehome and accessory structures in compliance with regulations promulgated by the Department of Housing and Community Development, Title 25 of California Code of Regulations, and regular maintenance, such as relevelling the mobilehome, painting, waxing, weathering and weather proofing the home, have been known to prevent or minimize damage due to natural occurrences. Homeowners will also be responsible for continued payment of rent, even if natural disasters or factors not within the control of the Park render the mobilehome space uninhabitable.
- Homeowners are responsible for obtaining their own insurance to protect themselves. their guests, and their visitors from liability, property damage or injury. Any insurance the Park maintains is solely for situations where the Park would be legally liable for loss, damage, or injury. If Homeowners wish to obtain protection for liability, fire, floods, earthquakes, or other casualties, they should obtain extended coverage for their mobilehomes at their own expense.

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I have read Section 1.3 regarding my responsibility for maintaining the mobilehome and space, and I agree to comply with these terms



2. **PAYMENT OF RENT AND OTHER CHARGES**

Homeowners shall pay \$ as rent on the first day of each month beginning at the start of the term of this agreement. In addition, Homeowners shall pay any utilities and other charges on the first day of each month. Payment for both rent and other charges must be made without deduction or offset whatsoever. Payment is considered late if not made without offset by the 6th day of the month. Homeowners agree to pay a late charge of 5% if rent is not paid by the 6th of the month. If a check is returned or dishonored by the bank for any reason, Homeowners shall also pay a handling charge of \$10.00, and the Park may require that further payments be made by cashler's check or money order.

Q UTILITIES BILLED SEPARATELY

- Charges for water, sewer and trash services are included in the monthly rent. The Park may begin charging separately for water, sewer, and trash services after giving advance written notice in accordance with the Mobilehome Residency Law. Homeowners must directly contact the local gas and electric companies to arrange for gas and electrical services. The Park is not responsible for maintaining the gas and electrical systems or for any interruptions in gas or electrical services. Homeowners may purchase cable or satellite television service by contracting directly with the provider, who is exclusively responsible for service and delivery of television services.
- The rate charged for utilities or other services may change from time to time without notice. The Park will post these and other notices required by government agencies. The Park may begin charging separately for water, sewer, and trash services after giving 60-days advance notice.

RENT ADJUSTMENTS Rent adjustments will take effect once each year, on or after the first of Is the anniversary date for this rental agreement. Homeowners will receive a notice identifying the categories of rent adjustment that apply and showing the amount of each adjustment before the increase takes effect. After the annual notice of rent increase, the Park owner need not bill the adjustments as separate amounts.

Annual Percentage Adjustment to Rent 4.1

The rent (including expenses passed through pursuant to Section 4:2 below) may be increased based-upon-100%-of,-the-Gonsumer-Price Index-(CPI-U), all-items, U.S. Department of Labor, Los Angeles-Anaheim-Riverside Counties, with a minimum of 2.25% and a maximum of 6% of the previous year's rent. The CPI percentage used will be the most recently published percentage as of the date of the -90-day notice to increase rent

4.2 Adjustments Based on Increased Expenses

The rent may be adjusted permanently for increases in expenses for taxes, insurance, maintenance, and services and facilities, capital outlays for equipment repairs or improvements, or uninsured losses to the extent-permitted by the Mobilehome Residency-Law. These adjustments will be only for increases that occur after the initial rent Is established. They will be identified separately on the annual rent increase notice for the purpose of explaining the method of calculation of these adjustments.

get past rent inclease legress

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Calculation of Operating Expenses

Adjustments for operating expenses, including taxes, maintenance, insurance and services and facilities other than submetered utilities will be calculated as follows: The expense for the last calendar: year-will be compared to the expense for the calendar year preceding it. Any increase will be divided by 12, then by the number of mobilehomes in the Park, and the result will be added to the rent. Any costs: that cannot be passed through under the Mobilehome Residency Law shall be excluded.

"Taxes" includes all categories of real estate tax, personal property tax, or bonds, fees, charges, surcharges, and assessments made in lieu of real property taxes.

"Insurance" includes any insurance related to the operation of the Park.

"Services and facilities" refers to services and facilities that are made available to residents in the Park except "capital expenses" and services for which the Homeowners pay a charge separate from the rent.

b. Capital Expenses and Uninsured Losses

Increases based on capital expenses (except capital expenses for installing, maintaining or upgrading submetered utilities) will be calculated by dividing the total expense by at least 60 months, then by the number of mobilehomes in the Park. Increases based on uninsured losses will be calculated by dividing the total loss by at least 12 months, then by the number of mobilehomes in the Park.

"Capital Expenses" include all expenses for equipment, repairs, or improvements estimated to have a useful life of more than 2 months plus interest, professional fees, and administrative costs associated with obtaining the equipment, or making the repairs or improvements. If the Park does not Aborrow from a third party, the amount of interest expense to be included will be equal to the prime rate plus 2%.

"Uninsured Losses" include any loss to the Park for which no compensation has been provided, except (1) those losses that come within the definition of Capital Expenses (e.g., damage to Park property involving expenses for repairs or replacements expected to have a useful life of more than 12 months), and (2) money damages awarded by a court against the Park for violation of the Mobilehome Residency Law.

Adjustments upon Assignment and before Expiration

Assignment of this agreement may be permitted at Park's sole discretion. Park reserves the right to increase the rent if assignment is permitted. Any assignment made without express written authorization from Park management shall be null and void.

4.3 Postponement or Waiver of Rent Adjustments

If the Park elects not to adjust the rent as provided for in this agreement, the Park may reserve the right to include the rent adjustments at a later date (without interest) by a written statement of the amount of the rent adjustment, identifying the nature of the adjustment that would otherwise apply, and Indicating that the adjustment will be delayed or postponed. The Park may also waive the adjustment permanently by stating in writing that the adjustment has been waived.

5. **USE OF THE MOBILEHOME SPACE; GUESTS**

The parties agree that the mobilehome space shall be used only as the private residence of Homeowners. Homeowners agree not to use the mobilehome space for commercial purposes. At all . times, one of the persons listed on the signature page of this agreement must be the legal registered owner of the mobilehome, and that person must regularly occupy the mobilehome.

10 Year Lease (Current Homeowners)

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5.2 Homeowners shall provide the Park with a copy of the current registration card for the mobilehome each year. If Homeowners fail to provide a copy of the current registration card within 30 days of the Park's written request, Homeowners agree to pay any expense the Park incurs in obtaining a copy.

- 5.3 Homeowners also agree not to permit guests to visit their space, unless accompanied by Homeowners. Guests may not stay on the space for more than 20 consecutive days or 30 days in a calendar year without written permission from the Park Management, and payment of a guest fee, except that the guest fee will be waived if waiver is required under <u>Civil Code</u> §§ 798.34 and 798.35. The guest fee may be changed by written notice served in accordance with the Mobilehome Residency Law.
- 5.4 All guests and visitors must be accompanied by Homeowners when using the Park's common facilities.

6. TRANSFER OF THE MOBILEHOME

8.1 Removal of Mobilehome upon Resale

- a. If a mobilehome is to be removed from the Park by Homeowners, Homeowners shall give advance written notice to the Park pursuant to <u>Civil Code</u> § 798.59, and continue to be liable for rent and other charges until the expiration of the notice, or the space is re-let, whichever comes first. Homeowners shall be responsible for ensuring that removal of the mobilehome is done in compliance with state law and that the mobilehome space is cleared of all debris, furniture, or other objects not affixed to the land. Homeowners shall be liable for any damage resulting from transportation of the mobilehome from the premises or failure to clear the space of debris, as well as any expenses the Park incurs in removing debris, furniture, or other objects not affixed to the land.
- b. The Park may require the removal of the mobilehome from the Park upon its sale to a third party to the extent permitted by the provisions of the Mobilehome Residency Law and any other applicable law.

Pre-Sale Inspection

Before sale of the mobilehome, Homeowners agree to order an inspection by someone with knowledge of the Department of Housing and Community Development ("HCD") regulations, at their sole expense to ensure their compliance with all health and safety requirements. The report of the inspection is to be written and a copy provided to the Park office within 30 days of receipt by Homeowners.

6.3 <u>Disclosure</u>

6.2

Before transferring their mobilehome to a prospective buyer, Homeowners shall comply with <u>Civil</u> <u>Code</u> §§ 1102 and 1102.6(d), and <u>Health and Safety Code</u> §§ 18025 and 18046, as amended effective January 1, 2000, by completing a Transfer Disclosure Statement. In addition to the information required on the Transfer Disclosure Statement, Homeowners shall inform the prospective buyer of any conditions of the mobilehome or space that are in violation of the Park rules.

6.4 Sale of Mobilehome on Site, Transfer of Tenancy, and Approval of Subsequent Residents

- Upon the sale of the mobilehome to a new buyer whose application for residency has been approved and who has entered into a rental agreement with the Park, Homeowners shall be relieved of all obligations under this agreement.
- b. Homeowners agree to notify the Park in writing of their intent to sell the mobilehome to prospective buyers who will keep the mobilehome on site. The buyers shall not be permitted to keep the mobilehome on site unless before completion of the sale they have completed an application for tenancy, have been accepted by the Park, have signed a rental agreement, and have delivered to the Park a signed copy of the Park rules.

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c. Homeowners shall disclose any existing rule violations to prospective buyers. Homeowners agree not to disclose or quote the rent amount to prospective buyers.

d. The Park shall have the right to enforce this agreement until the end of the term. Homeowners shall be liable for compliance with the provisions of this agreement, including the obligation to pay rent and other charges to the Park until the end of the term. Homeowners shall not assign this agreement.

7. TERMINATION OF TENANCY

7.1 <u>Termination of Tenancy by Homeowners</u>

Homeowners shall have the right to terminate this agreement and their tenancy in the Park upon 60 days written notice, regardless of whether the Park is in breach of the terms of this agreement.

7.2 <u>Termination of Tenancy by the Park</u>

This agreement can be terminated by the Park for any of the reasons specified in the Mobilehome Residency Law, and in accordance with its provisions, upon service of a written notice. Homeowners agree that if this agreement is terminated due to change of use or condemnation, Homeowners will not be entitled to relocation benefits, but will be relieved of liability for rent and other charges for the balance of the agreement term after the effective date of termination.

7.3 Effect of Notice To Terminate Tenancy

Homeowners shall remain liable for fulfilling their obligations under this agreement until expiration of the 60-day notice to terminate tenancy in the Park. If Homeowners fail to remove the mobilehome and restore the mobilehome site to the Park within 60 days after service by either party of a notice to terminate tenancy, the Park shall be entitled to compensation for the reasonable rental value of the site until the mobilehome is removed, as well as all damages, attorneys' fees and court costs incurred in recovering possession of the site.

b. The right to sell on site depends on the existence of a tenancy in the Park. Homeowners understand that if their tenancy is terminated by notice pursuant to Civil Code §§ 798.55, 798.56 or 798.59, Homeowners shall not have the right to resell the mobilehome to a prospective buyer who intends to keep the mobilehome on site after the 60-day period expires.

7.4 Agreement Not To Abandon Mobilehome

Homeowners agree not to abandon the mobilehome in the Park at any time. If Homeowners fail either to meet their obligations to pay rent or other charges or to remove the mobilehome from the Park after giving the Park a 80 day notice pursuant to Civil Code \$ 798.59. Homeowners agree to transfer title to the mobilehome to the Park owners. Homeowners understand that if they abandon the mobilehome, they will incur liability for the rental value of the premises until the mobilehome is removed.

8. IMPROVEMENTS AND FIXTURES

All improvements made to the space or structures installed on the space, except the mobilehome, will become the property of the Park as soon as they are installed. This includes, without limitation, landscaping planted on the premises, and structures such as fences, walls, or walkways that are built onto the space or embedded in the ground. Homeowners shall maintain all of the above, including all landscaping other than trees that create a specific hazard, at Homeowners' sole expense, so long as Homeowners have possession or control of the space, although they are the property of the Park. Upon vacation of the premises, Homeowners shall leave the space free of debris and in a next and clean move-in condition.

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LIENS AND CLAIMS

Homeowners shall not allow any lien, claim or demand arising from any work of construction, repair, restoration, maintenance, removal, or any other services done for them, or for their mobilehome or space to be enforced against the Park. Homeowners shall pay all such claims, liens, and demands. Failure to promptly pay all such claims, liens, and demands is grounds for terminating Homeowners' tenancy. Homeowners agree to hold the Park free and harmless from all liability for any and all such claims, demands, or liens, together with all costs and expenses, including, but not limited to, attorneys' fees and court costs incurred by the Park in connection with them.

10. SUBORDINATION

Homeowners' rights under this agreement, including any hold-over tenancy, are subordinated to the present or future mortgages and ground leases affecting the real estate or any part of it. Homeowners shall execute any further instrument or instruments required by the Park owner to effect such subordination.

11. ZONING AND USE PERMIT INFORMATION

The nature of the zoning in which the Park operates is: R4B2D-High Density Multiple Zone U721204:1. The conditional use permit required to operate the Park has no expiration date. The Park is not now located on leased ground, but the Park owner may elect in the future to lease the ground or improvements. The Park owner expressly reserves the right to modify, change or amend the zoning or use of the property on which the Park is located at any time at its discretion. In such case, the term of this rental agreement shall be truncated accordingly so as to terminate concurrent with notices required for termination of tenancy as specified in the Mobilehome Residency Law (Civil Code §§ 798, et seq.)

12. CONDEMNATION

If any portion of the Park is taken under the power of eminent domain, or is affected by condemnation to the point where it is impractical to continue operations, the Park will have the right to terminate this agreement as of the date the condemning authority takes possession. The entire amount of any award for the taking of all or any part of a space or the Park will be the Park's property.

13. **ESTOPPEL CERTIFICATE**

Homeowners' rights under this agreement will not be modified by the sale of the Park unless Homeowners are given written notice as required by law. Homeowners shall inform any prospective buyer of the Park of Homeowners' interest in the space by signing an estoppel certificate. If the Park presents Homeowners with an estoppel certificate, Homeowners agree to complete and sign the estoppel certificate stating the terms of this agreement and any amendments. If Homeowners fail to sign an estoppel certificate, they shall pay liquidated damages in the sum of \$500 to the Park.

14. **NOTICE REGARDING REGISTERED SEX OFFENDERS**

California law requires that we give you the following notice:

Notice: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at www.meganslaw.ca.gov. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides,

15. INCORPORATION OF OTHER DOCUMENTS

The following documents are incorporated and made a part of this agreement:

10 Year Lease (Current Homeowners)

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(1)The Mobilehome Residency Law, which may be amended by the California State Legislature from time to time:

(2)	The Park rules,			, which may	be amended in	accordance	with
	the Mobilehome	Residency La	aw or other ap	plicable law;			

(3)	Other.	
-----	--------	--

15.2 The Park owner reserves the right to challenge the validity of amendments to the Mobilehome Residency Law that conflict with this agreement. Homeowners acknowledge having received these documents and having been given an opportunity to read and understand them.

15.3 Homeowners understand that by signing this agreement, they are agreeing to be bound by the terms and conditions of these documents as they may be revised per this agreement. Homeowners agree that use of the recreational facilities is conditioned upon compliance with the Park rules, including those rules posted in and around the facilities.

16. ATTORNEYS FEES AND COSTS

In any action arising out of termination of Homeowners' tenancy, this agreement, or the provisions of the Mobilehome Residency Law, the prevailing party shall be entitled to reasonable attorney's fees and costs, unless otherwise agreed under the Dispute Resolution provisions.

17. **ENTIRE AGREEMENT**

This agreement and the documents and posted signs referred to in it are the entire agreement between Homeowners and the Park regarding the terms of Homeowners' tenancy. This agreement supersedes all prior and contemporaneous agreements, representations and understandings of any party to the agreement.

18. **MODIFICATION OF THIS AGREEMENT**

- This agreement cannot be modified orally or by conduct. This agreement can be modified only in writing, either by written notice to the extent permitted by this agreement, the Mobilehome Residency Law. and Civil Code §827, or by written agreement of the parties.
- 18.2 The waiver by the Park of any particular breach by Homeowners, or the failure of the Park to take action in a particular instance or to pursue all remedies available shall not be a waiver or modification of any term of this agreement. Acceptance of rent or other charges by the Park shall not be a waiver of any preceding breach of this agreement by Homeowners, regardless of the Park's knowledge of the preceding breach.

19. SEVERABILITY

If any provision of this agreement is declared to be unlawful or unenforceable, the validity of all other provisions shall not be affected.

20. TIME IS OF THE ESSENCE

Homeowners must adhere to the time periods specified in this agreement for performing obligations in order to require performance of the Park's obligations.

10 Year Lease (Current Homeowners)

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HOMEOWNERS:	
Date	Signature
	Printed Name
•	I INTO NOTICE
Date	Signature
	Printed Name
•	
Date	Signature
•	Printed Name
	- Inited Maille
Date	Signature
·	-
	Printed Name
PARK MANAGER:	
Date /	Signature
	Printed Name /
(Charle if anniloshie)	
(Check if applicable)	
have received, or will receive, title to the mobile	ement upon receipt of proof that prospective Homeowners lehome that occupies or will occupy the subject space.
IN CASE OF AN EMERGENCY, PLEASE CO	NITACT.
Name:	Telephone #:
Relationship:	Address:

10 Year Lease (Current Homeowners)

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OTHER PERSONS WHO WILL OCCUPY THE MOBILEHOME AT SPACE

Name	Relationship	DOB
Name	Relationship	DOB
Name	Relationship	DOB
Name	Relationship	DOB
PETS THAT WILL OCCUPY THE MO	OBILEHOME (SEE PET AGREEMENT):	
Name	Description	~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~
Name	Description	
VEHICLES THAT OCCUPY OR WILL	. OCCUPY THE SPACE:	
Make:	Make:	_
Model:		
Year of Vehicle:	Year of Vehicle:	
License No:		
Registered Owner:		
Park Decal No.:	•	
INFORMATION CONCERNING THE	MOBILEHOME THAT OCCUPIES OR W	ILL OCCUPY SPACE:
Make of Mobilehome:		
Model of Mobilehome:		
Year of Manufacture:	Vehicle ID#:	
License or Decal #:	State of Registrations:	
Federal Label or Calif. Insignia #:		
Earthquake tie down system installed	pursuant to Health & Safety Code § 1861:	3.4
	YES NO	
If yes, approximate date of installation	,	- · · ·

	DATE: ATTACHMENT:	03/10/20 3
Legal Owner's Name:	ATTAOTIMENT.	9
Address:	· ·	
Telephone:_		
Registered Owner's Name:	<u> </u>	
Address:		
Telephone:		
Junior Lien holder's Name:		_
Address:		<u>.</u>
Telephone:		
I/We	., acknowledge recelp	ut of _
a copy of this agreement, which bares original signatures by both Park manader a	and Homeowners.	

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RANCHO DEL BORDO MOBILE HOME ESTATES

10025 El Camino Real Atascadero, CA 93422 (805) 466-2400

ALTERNATE DISPUTE RESOLUTION AGREEMENT

1. DISPUTE RESOLUTION

Homeowners must circle either "Yes" or "No". The Park will be bound by these dispute resolution procedures to the extent that Homeowners agree to be bound by them, as evidenced by their initials below.

1.1 Notice of Complaint and Opportunity To Correct

Homeowners-shall not make any-complaint to any court or government agency, or begin any arbitration proceeding against the Park based on any act or omission on the part of the Park, any alleged defective condition of the Park or any dispute concerning the interpretation or enforceability of the terms of this agreement without first giving written notice to the Park specifying (a) the grounds for complaint, (b) the harm caused or threatened, and (c) the corrective measures requested. Such written notice shall be given at the earliest possible date, and in no event later than 60 days after Homeowners have knowledge of the facts that give rise to the complaint. The Park shall not be liable to Homeowners for any expense, damage or injury sustained during any period when Homeowners had the opportunity to notify the Park of the grounds for complaint, but failed to do so. Homeowners shall not raise any defense in a legal action or proceeding based upon any alleged defective condition in the Park, if Homeowners have not complied with this provision. To be effective, the notice shall be signed by the Homeowners and addressed to the Park Management.

If the Park has a complaint about Homeowners, the Park shall give written notice before taking legal action against them.

I agree to Part 1.1 of the Dispute Resolution provisions.



1.2 Park Negotiation and Mediation Procedures

The Park has a policy of being available to discuss any problems Homeowners may wish to discuss. The Park and Homeowners agree that, except for emergencies or unlawful detainer proceedings, Homeowners and the Park shall attempt to resolve their disputes by use of the following procedures before submitting the dispute to arbitration.

a. The Park or the Homeowners seeking to resolve a dispute shall send a notice requesting a meeting. The notice shall be sent by personal delivery, if personal delivery is possible. If personal delivery is not possible, the request for a meeting shall be made by telephone, with a copy of the notice sent by regular mail. The notice shall state the subject of the complaint, the problem to be resolved, and a tentative date for a meeting to discuss it.

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The meeting will be an informal discussion between Homeowners and the Park owner's designated representative to resolve disputes arising from Homeowners' tenancy. Either the Park or Homeowners may have legal representatives or witnesses present during the meeting.

I agree to Part 1.2 of the Dispute Resolution provisions.



1.3 Complaint to HCD Ombudsman

The Department of Housing and Community Development (HCD) has designated a Mobilehome Ombudsman within the Department to address complaints from residents about various aspects of living In the manufactured homes and mobilehomes in the State of California. The name and telephone number of the HCD Ombudsman is posted in the Park. Before making any complaint to any court or government agency other than HCD, and before beginning any arbitration proceeding against the Park based on any act or omission on the part of the Park, Homeowners shall bring their complaint to HCD and wait until HCD has completed its review of the complaint before proceeding further against the Park. The Park agrees to respond to any reasonable requests for action or information from HCD that are directly related to the complaint presented.

I agree to Part 1.3 of the Dispute Resolution provisions.



Arbitration

Homeowners and the Park agree to submit all disputes that cannot be resolved between them to binding arbitration except for requests for recovery of maintenance fees pursuant to Section 1.3(d) of the Lease Agreement, and proceedings for unlawful detainer or eviction of unlawful occupants.

For purposes of these arbitration procedures, the term "party" refers to each Individual person or entity involved in an arbitration proceeding.

Arbitration Procedure: The party seeking to arbitrate a dispute shall begin arbitration by serving a written demand to arbitrate on the respondent and the Judicial Arbitration and Mediation Services ("JAMS"). One arbitrator who has had no previous dealings with any of the parties or attorneys involved shall be appointed to arbitrate the matter in accordance with this agreement.

During the arbitration proceeding, the rules of evidence shall not be relaxed, unless objections are waived or the parties otherwise agree. Neither party shall communicate to the arbitrator in writing without providing the opposing side with a copy of the communication. Neither party shall engage in oral communications with the arbitrator, unless the opposing party is also given an opportunity to participate in the communication.

Limitations of Action: A claim by either party that is subject to arbitration shall be barred, and no damages will be recoverable if demand for arbitration is not made within 180 days after the petitioner has knowledge of facts giving rise to the complaint. Neither party shall recover damages sustained more than 6 months before the filing of the complaint. These periods shall be tolled or extended pending negotiations or completion of corrective measures if, and only if, the respondent agrees in writing that the limitations periods shall be tolled or extended.

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The costs of arbitration shall be shared equally among all "parties" and the estimated costs shall be posted in advance.

I agree to Part 1.4 of the Dispute Resolution provisions.



1.5 Release

The Park and Homeowners release each other of any claims or disputes they may have with each other, whether known or unknown until the date when this agreement is signed. Each party to this agreement knowingly walves the provisions of Civil Code § 1542 which provides: "a general release does not extend to claims which a creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor." This agreement is intended to put an end to any past disputes that may have existed between the parties. Each party shall be liable for any costs and attorneys' fees incurred by the other party in defending a claim inconsistent with this release, regardless of the merits of the claim.

I agree to Part 1.5 of the Dispute Resolution provisions.



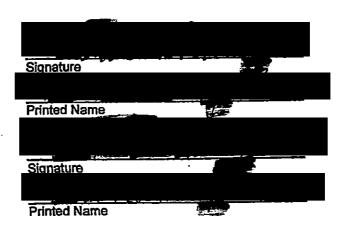
BY SIGNING THIS AGREEMENT CONTAINING DISPUTE RESOLUTION PROVISIONS, THE PARTIES ACKNOWLEDGE THEIR UNDERSTANDING THAT THEY MAY BE WAIVING RIGHTS THEY MIGHT OTHERWISE HAVE TO HAVE CERTAIN DISPUTES LITIGATED IN A COURT OR JURY TRIAL.

HOMEOWNERS:



Date





ADR Agreement (Current Homeowners)

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B-1 03/10/20 3 DATE: ATTACHMENT: Date Signature **Printed Name** Date Signature Printed Name **PARK MANAGER:**

Printed Name

şignature.

ADR Agreement (Current Homeowners)

Date

ITEM NUMBER:

Agenda Item B-1 march 10,2020

RECEIVED

From: Kathy Choate <clerkchoate@gmail.com>

Sent: Monday, March 9, 2020 8:49 AM

To: Heather Moreno; Susan Funk; Heather Newsom; Roberta Fonzi; Charles Bourbeau; City

Clerk

Subject: March 10, 2020 Item B-1 Mobile Home Rent Stabilization

Attachments: GSMOL Lesgislation paragraph2.rtf

Follow Up Flag: Follow up Flag Status: Completed

Honorable City Council members,

Attached is a document being considered for attachment to SB 915, that relates to Item B-1 on March 10 City Council agenda.

Lost Oak Mobile Home Park (LOMHP) residents would like the attached document entered into the record for March 10, 2020 Item B-1 Mobile Home Rent Stabilization.

While rent stabilization is very specific, there are circumstances in LOMHP, since being purchased by a corporation, effecting home owners in a negative way, including Thomsen Properties, LLC (TPL) response to complaints; "if you don't like it, move." When a current home owner leaves the new owner pays a much higher rent. Intimidation and bullying is being used to drive existing residents to sell.

LOMHP under private ownership with 24/7 management on site was a friendly, private, and enjoyable community. We now have no onsite management and are managed by code violations primarily. TPL "corporate policy is to write five (5) violations per week even if there aren't any." A direct quote by management staff.

LOMHP residents now reside in fear of intimidation, retaliation, and eviction. Our clubhouse was shut down to use by reservation only. We no longer have our community area to enjoy one another's company, play cards, afternoon tea, knit or crochet together, gatherings, BBQs, Bunco, or just sit and read a book, and many other enjoyable occasions we have had as residents.

Our clubhouse was stripped of the brand new furniture purchased for our use. The bookcases and all the books were removed, never to be seen again. TPL has turned the clubhouse into a three story office. While the office is a room upstairs, management overflows into all areas of the building. Management has taken over the clubhouse.

Office hours are by appointment only and often calls are not returned by residents trying to reach management. The bulletin board by the mailboxes is now a glass, key locked unit where only management can post notices. Prior to TPL owning us, the bulletin board was used by managers and residents. There is no communication to residents about changes, no discussion, no consideration.

Residents have no bulletin board to post community related interests; births, deaths, accomplishments, recipes, lost pets, etc. LOMHP has been stripped of our "family" Park. It is comparable to a NAZI CAMP and that term is being used by many residents who reside here. Residents are living in fear and anxiety daily.

Thank you for your service to the community, Kathy on behalf of Lost Oak Mobile Home Park Residents It is imperative to pass SB 915, which will require managers be trained and certified!!

I am a 20 year resident of Lost Oak Mobile Home Park (LOMHP). I have raised three children and seven grandchildren grew up in and still visit, and spending many days enjoying the family community known as LOMHP. I have many friends and acquaintances made in LOMHP over my 20 years residing here.

Built in 1986 and owned privately, a little over five (5) years ago LOMHP was purchased by a corporation, Thomsen Properties, LLC (TPL) based in Costa Mesa, CA. Since the purchase there has been no on site Manager. This is a violation of state law as LOMHP has 55 mobilehomes, one is a clubhouse and two have been converted to rentals owned by the Park. In previous years we always had an onsite manager 24 hours per day, 7 days per week. The result of no 24/7 LOMHP manager is the following:

- Amenities are denied and enforcement of compliance violations are a weekly occurence. TPL
 policy is to "write five violations per week, even if there aren't any," a direct quote by TPL
 Manager.
- LOMHP clubhouse once open daily is now available only by reservation, it is time consuming to do so and the list of rules to use it are unreasonable. The new leather couches with wood frames that were purchased for the enjoyment of the residents were thrown away in a rolloff by the TPL management. the bookshelves filled with books just disappeared from the lower level of our clubhouse, never to be seen again. TPL moved the Park office from an existing mobile home to the clubhouse and now "rent" the "office" mobilehome. They have rented this space to a person that they charge more rent than space rent and renter receives "kick backs" on said rent if they spy on other resident's property and reports to the Manager (basically a mole). The renter has expressed fear of the Manager.
- Video Surveillance: TPL staff monitors the LOMHP from cameras that were installed under the
 premise of security, but are used to spy on residents and make accusatory statements based on
 what they think they see, not on what they know or take the time to know. No signs are posted
 informing residents or public there are cameras in use.
- There is no longer the same lease agreement between tenants, there are multiple lease agreements, all different. As to break down the community aspect of the rules. Thomsen Properties refused to give signed copies of original lease agreements to existing tenants and as agreements come time to renew, tenants are pressured to sign because they are made afraid they will be evicted by TPL which is a bully tactic. This last year evictions became the "new management style." After an agreement was made by a resident to have 6 months, rather than 30 days to sell her home, Management came back into LOMHP and proceeded to inform the next eviction victim, "don't mess with us, we win." They manage by intimidation and fear daily!!
- Infrastructure issues are deferred, corporate project management staff gets so frustrated with lack of support projects are left in limbo; no support from corporate. See Thomsen Properties, LLC employee comments on line, very negative feedback on administration.
- Road was paved last year; not finished properly.
- Towing of resident vehicles is abused. I was informed West Coast Towing refused to tow any
 more vehicles every time TPL managers called for a tow due to abuse of power.
- Water leaks that go for years, pool leaked for over a year and a half, causing an owner per manager's direction to run a hose from the flooded back yard out to the street so the water would stop flooding his property. The leak was not addressed for a year and a half.
- Neo Nazi Manager (a term used by many who reside here, not flippant but truthful) that conducts herself as though she is above the law and is training her subordinate to do the same. Managers insist they have a right to come on resident's property without notice. They come up

- into our yards, take pictures, peek in our windows, write violations for personal property items that are not in violation of any code or regulation, very subjective Management.
- TPL trained the Regional Manager, who started out here as a reasonable and communicative Manager to be aggressive. They brought someone in to spend an entire day with her to teach her how to be very aggressive. She is now Regional Manager.
- Emergency Plan Memo issued by TPL to residents in the event of a catastrophic emergency, please call the Costa Mesa office to chat.
- Cease and Desist Order when a resident speaks on behalf of all residents and corporate does
 not agree with the spokesperson they are issued a letter warning no contact with TPL
 employees, any communication is to be in writing only to Guzman Law Firm, with the attorney
 Erin Guzman only or legal action will be taken. Guzman Law Firm does not respond to phone
 calls and in no timely manner to written correspondence.
- Their conduct is one of malfeasance (creative eviction) and a breach of their duties to LOMHP.
 Currently, three evictions are in litigation and one long term resident was forced to sell her home. There are trying to skirt under the veil of a corporation, using less than ethical tactics.
- Landscaping requirements are subjective; e.g., manager does not like rose petals on the ground, recommends no one plant roses. Roses require very little water and provide breathtaking beauty.
- Painting outside of home is subjective; there was once a color wheel, now it is subject to Manager's preference.
- Mismanagement of discretionary funds (\$400 per month). Former ECP employee has additional information.
- The sense of community we had for years is gone. Many of us have lived here more than 10 years, and quite a few more than 20 years.

TPL Managers violate the Constitution of the United States, Amendment IV consistently, there is no privacy in our homes. Amendment VIII is violated as well with cruel and unusual punishment inflicted by the untrained, in-your-face Managers who conduct themselves as though they are above the law.

The current managers have managed to divide and instill through intimidation, abusive behavior, mismanagement of funds, deferred maintenance, and lack of day-to-day running of a mobilehome park to bring fear, anxiety, evictions, effect the overall general health and well being of those who live here.

The comfort, privacy, and hope of long term residency here is in jeopardy. We have spent years of sweat equity improving our homes, with records of great tenants and now a corporation with greedy pockets wants those tenants out so they may charge higher rent and increases under the veil of a corporation. Affordable housing in San Luis Obispo County is very limited and the eggregious manner in which TPL conducts itself is despicable! Put your feet in our shoes! We have been told straight up by TPL, if we don't like it here, MOVE!! by the corporate President. She stated, and I quote, "I would never live in a trailer park."



Atascadero City Council

Staff Report – Public Works Department

2020 Community Development Block Grant Funding Recommendations

RECOMMENDATION:

Council review and approve funding recommendations for the 2020 Community Development Block Grant (CDBG) program as shown below and authorize staff to adjust final award amounts proportionately upon receipt of the final funding amount.

2020 CDBG Funding Allocations	Draft Recommendations December 2019	Final Funding Staff Recommendations
Public Facilities (PF) and Housing Projects (HP) Estimated 2020 Allocation \$91,046 (Atas.) + \$18,939 (Morro Bay Repayment) + \$5,823 (Reallocation) = \$115,808		
City of Atascadero — Santa Rosa Accessibility - Barrier Removal Project (PF)	\$115,808	\$115,808
Public Services – Limited to 15% of 2020 Allocation (\$21,011)		
City of Atascadero – Youth Activity Scholarships	12,500	12,500
El Camino Homeless Organization (ECHO) – Operation of Homeless Shelter	8,511	8,511
Administration - Limited to 20% of 2020 Allocation (\$28,014)		
City Program Administration Costs	\$9,805	\$9,805
County Program Administration Costs	\$18,209	\$18,209
Total 2020 Grant Funds Available	\$164,833	\$164,833

Reallocations of Previous Years' Fund Balance	Draft Recommendations December 2019	Final Funding Staff Recommendations
2018 Administration Reallocate to Santa Rosa Accessibility & Barrier Removal Project	\$4,804	\$4,804
2018 Youth Scholarship Reallocate to Santa Rosa Accessibility & Barrier Removal Project	\$1,019	\$1,019

DISCUSSION:

Background

The 2020 CDBG award process began in the fall of 2019. Workshops were held throughout the County to solicit public comment on community needs. The County published a request for CDBG proposals and the City received eight applications. Total available funding for the 2020 cycle, based on previous levels, is anticipated to be approximately \$140,071. Final funding amounts are anticipated to be released by the Department of Housing and Community Development (HUD) in early 2020.

The City will also receive \$18,939 from the City of Morro Bay's 2020 CDBG allocation for a combined total of \$159,010. In 2016, the City of Atascadero reallocated \$236,420 to Morro Bay to complete a shovel ready project. The City of Morro Bay allocated their annual CDBG funding to Atascadero on a dollar-per-dollar repayment until paid in full. The City received repayment from Morro Bay in 2017 (\$77,662), 2018 (\$79,367), and 2019 (\$60,452) leaving a balance owed of \$18,939 which will repay the loan in full in the 2020 CDBG cycle.

<u>Analysis</u>

CDBG funds are available for community development activities, which meet at least one of the three national objectives:

- 1. A benefit to low and moderate-income persons;
- 2. Aid in the prevention or elimination of blight;
- 3. Address urgent needs that pose a serious and immediate threat to the health or welfare of the community.

In order for a program to qualify under the low and moderate income objective, at least 51% of the persons benefiting from the project or program must earn no more than 80% of the area median. Additionally, at least 70% of the CDBG funds must be spent toward this objective.

There is a minimum award threshold of \$8,000 per project, meaning the City can only allocate less than \$8,000 for a particular public service activity if another agency in the County commits to programming the remainder to equal a Countywide cumulative total of at least \$8,000.

The following criteria should also be used to guide selection of CDBG programs:

- 1. The proposal is consistent with the national objectives and eligibility criteria of the HUD CDBG program;
- 2. The proposal is consistent with the Urban County Consolidated Plan;
- 3. The proposal is consistent with the General Plan and other City codes/ordinances.
- 4. The proposal will achieve multiple community development objectives;
- 5. The proposal can be implemented in a timely manner, without significant environmental, policy, procedural, legal, or fiscal obstacles to overcome; and
- 6. The project is not financially feasible without CDBG funding.

On December 10, 2019, after reviewing the applications, Council approved the draft funding recommendations for the 2020 cycle. The recommendations were then published for the required minimum of 30 days during which time a public workshop was held by the County.

In addition to the annual CDBG allocation, the City has \$5,823 in unexpended carryover 2018 funds due to unspent Administration and Youth Scholarship funds. These funds can only be allocated to the Public Facilities project. At the December 2019 City Council meeting, these funds were recommended to supplement the Santa Rosa Accessibility project.

Conclusion

Once the Council has approved the funding recommendations for the 2020 CDBG program, they will be forwarded to the County for approval by the County Board of Supervisors and inclusion in the countywide Consolidated Plan.

The amount of funding shown for 2020 is an estimate provided by the County based on available information from the U.S. Department of Housing and Urban Development. If the amount awarded to the City is more than the amounts shown, the additional amount will be dispersed equally among the awarded applicants.

FISCAL IMPACT:

The 2020 County CDBG allocation is estimated to be \$140,071 with an additional \$18,939 repayment from Morro Bay and the reallocation of \$5,823 in unexpended 2018 funds for a total of \$164,833.

ALTERNATIVES:

Council may modify the grant recommendations prior to approval. However, awards must meet program requirements; a minimum award of \$8,000 for public service activities on a Countywide cumulative basis, providing a minimum of 70% of funding for benefit to low and moderate-income persons, and no more than 15% of the current year allocation can be awarded in the public service category.

ATTACHMENTS:

None.

A complete packet of submitted applications is available for public review at the City of Atascadero, Public Works Department, 6500 Palma Avenue.



Atascadero City Council

Staff Report - Public Works Department

Del Rio Road / US 101 Interchange Traffic Sensitivity Analysis

RECOMMENDATIONS:

Council:

- 1. Receive and file Draft Traffic Sensitivity Analysis for the Del Rio Road Interchange Report.
- 2. Abandon work on the roundabout design for the Del Rio Road Interchange Project.
- 3. Direct staff to amend the current agreement with Wallace Group to pursue alternative interchange improvements and prepare a plan line for the Del Rio Road/US 101 Interchange and Del Rio/El Camino Real Corridor that incorporate adding a westbound right-turn lane on Del Rio Road to northbound US 101 ramp, signal modifications, and lane reconfigurations on El Camino Real.
- 4. Direct staff to investigate a plan line for a second phase to Del Rio / US 101 interchange improvements associated with bridge widening to determine future land acquisition needs.
- Direct staff to draft amendments to the Del Rio Specific Plan to accommodate Del Rio Road/US 101 Interchange and Del Rio Road/El Camino Real Corridor plan line setbacks, refined land uses, and a refined Master Plan of Development.

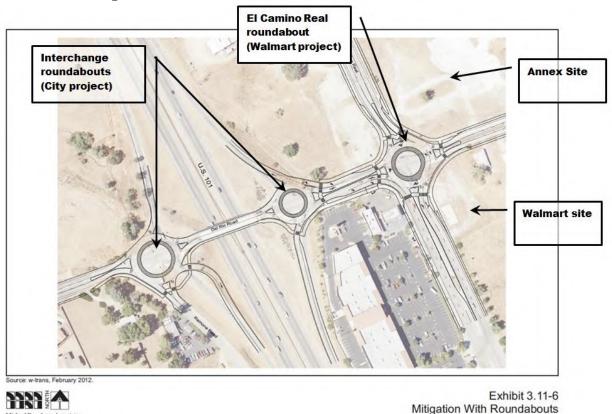
REPORT-IN-BRIEF:

This report discusses the traffic sensitivity analysis recently completed for the Del Rio Road/US 101 Interchange between Ramona Road and El Camino Real. This analysis evaluated eight different land use scenarios for four large undeveloped parcels that will influence future traffic demand on the corridor. This evolving land use has resulted from the cancellation of the Walmart project application and has influence on the transportation needs along the Del Rio Road corridor, including the US 101 interchange, to support future traffic demands. A background of the Del Rio Road/US 101 Interchange project is included, as well as a summary of the traffic analysis and conclusion.

DISCUSSION:

Background

During the review phase for the Walmart/Annex Project in 2008, the City analyzed the project's impact on the Del Rio Road/US 101 Interchange. A traffic analysis study performed by the City's traffic consultant (W-Trans) indicated the traffic capacity of the interchange would need to be expanded to accommodate the Walmart and Annex projects at build out. Build out includes the assumption that all development assumed in both the Specific Plan and General Plan that could impact this area would be completed. The study analyzed options to increase capacity and recommended roundabouts at the ramp intersections based upon future performance and cost analysis. A layout of the roundabout mitigation is shown below.



The Walmart/Annex project Environmental Impact Report (EIR) evaluated other traffic impacts that would result from the developments and found the current interchange configuration could accommodate the Walmart development but would need to be improved to the roundabout configuration before any permit issuance for the Annex development. The study also determined that 53% of the projected traffic generated at the interchange would be generated by the Walmart and Annex projects, while 47% of the traffic would be generated by other future development.

The Walmart and Annex developments were conditioned to pay their fair share (53% of the estimated interchange roundabout costs) through traffic impact fees. These impact fees were calculated based upon a cost estimate of \$4.5 million at time of conditional approval (March 2012). This estimate was reviewed by several engineers and seemed on par with other estimates and other actual costs for similar roundabout projects provided to the City at that time.

In addition to these special roundabout mitigation fees, both Walmart and the Annex were further conditioned to pay the City's Standard Traffic Impact Fees (TIF) and to pay a maximum of \$200,000 each toward cost overruns if necessary. Overall, the Walmart and Annex are conditioned to pay about \$5.3 million in TIF to the City. This averages to about \$20.66 per square foot in Traffic Impact Fees.

The Walmart project is also responsible for constructing a third roundabout at El Camino Real (ECR)/Del Rio Road, installing a new signal light at ECR and San Anselmo Road (East), improving a half-mile of ECR as a 4-lane arterial, improving 1,000 feet of Del Rio Road, and installing amenities such as an enhanced transit stop, Class II bike lanes, street landscaping and sidewalks.

The City began the Caltrans process for the Del Rio Road/US 101 Interchange Project in November 2012 when Wallace Group was hired to perform the Project Initiation Document (PID) phase.

Wallace developed an updated current dollar project cost estimate of approximately \$12 million for the interchange project as part of the PID phase. This estimate was broken down into approximately \$9 million for construction and right of way costs and \$3 million for other "soft" costs such as planning, environmental documentation, final design, construction management, etc. This estimate was significantly higher than the \$4.5 million provided at the time of conditional approval. The major contributing factors to the higher construction costs were related to increases in soil import, land acquisition (right-of-way), construction contingencies, and the project addition of widening the bridge to accommodate sidewalk improvements. In addition, the previous \$4.5 million estimate seems to underestimate appropriate "soft" costs required to deliver a project through the Caltrans project development process. This discrepancy in the cost estimate was discussed with the City Council at their September 23, 2014 meeting.

Funding for the interchange project was also discussed at the September 23, 2014 meeting. The \$5.3 million to be collected in Traffic Impact Fees was originally anticipated to go toward fully funding both the Walmart/Annex share of the estimated \$4.5 million interchange improvements, but also the portion attributed to future development. In September 2014, with the new cost estimate of \$12 million, it was clear that the City would have to look for additional funding to fund the City's (future development's) fair share of the interchange improvements. The following cost sharing scenarios for regional SLOCOG funding levels were discussed at the September 23, 2014 meeting:

101 @ Del Rio Interchange Project							
	С	urrent Project Budget	SLOCOG 50% Match Local 50% Match	n/ SLOCOG 45% Match/ Local 55% Match			OG 40% Match/ al 60% Match
Walmart Traffic Impact Fees	\$	2,474,876	\$ 2,674,87	6 \$	2,674,876	\$	2,674,876
Walmart Outlier Building Traffic Impact Fees		183,230	183,23	0	183,230		183,230
Annex Traffic Impact Fees		2,229,288	2,429,28	3	2,429,288		2,429,288
Other Traffic Impact Fees		268,126	712,60	6	1,312,606		1,912,606
Local Match		5,155,520	6,000,00)	6,600,000		7,200,000
SLOCOG Contribution		-	6,000,00)	5,400,000		4,800,000
Capital Project Budgeted Amount	\$	5,155,520	\$ 12,000,00) \$	12,000,000	\$	12,000,000

Staff was directed by the City Council to continue moving the interchange project forward through the PID phase while working with SLOCOG on additional funding opportunities. Caltrans is required to assess the viability of proposed projects and available funding before expending oversight staff time on the project. The funding shortfall was a known issue and a funding source needed to be identified before processing could continue. Regional funding through a SLOCOG match was looking promising until July 2015 when the California Transportation Commission (CTC) notified SLOCOG that total programming capacity had decreased from an expected \$14 million to zero.

The City Council discussed the project shortfall on September 22, 2015 as part of the agenda item to approve \$798,500 in professional engineering and environmental services to Wallace Group for Phase 2 (PAED) of the project. Although the outlook for regional funding was unknown, it was recommended that project development for the interchange continue since funding is likely to occur if the project becomes "shovel ready". The Walmart project was in full gear at that time, and the City was aware that the Annex and other development (other than Walmart) could not proceed until the interchange was completed.

Walmart notified the City in February 2017 that they would no longer be pursuing the development of their Del Rio store in Atascadero. Walmart's decision was primarily based upon the change in retail shopping from "brick and mortar" to internet sales. The progress on the Del Rio Road/US 101 Interchange project has slowed since Walmart's announcement to a pace that allows the project status to remain in good-standing with Caltrans. The interchange project is included on the 2019 Regional Transportation Plan (RTIP) that qualifies the project for regional funding, but no funding source was identified.

Without the synergy from the Walmart project, the Annex site is highly unlikely to be a shopping center use as previously planned. The owner of the Annex has informed staff of this and it is further demonstrated by current construction of the Home 2 Suites hotel on the NW Area of the Annex. This change in land use also changes future traffic patterns and the associated scope of infrastructure improvements required to have acceptable traffic conditions.

Over the past couple years, staff has met and discussed potential land uses with the Annex owner and other property owners and potential developers of parcels in and around Del Rio Road/US 101. Current plans include a 200,000 square foot business park, a lodging use on the West side of Highway 101, and the Barrel Creek project. Staff has also discussed the Walmart site with its representatives, who indicate that any sale of their site will likely include deed restrictions of competing land use and operations. Current applications indicate that jobs serving uses, visitor serving uses and housing are likely to be developed in this area. These new land-uses reduce traffic volume, allowing the City to contemplate alternative, cost saving and land saving transportation plans.

2019 Traffic Sensitivity Analysis:

In 2019, W-Trans was hired to complete a traffic sensitivity analysis of the Del Rio Road Interchange corridor to assess the intensity of development that can be accommodated in the vicinity of the Del Rio Road interchange while maintaining acceptable operations. This report was discussed at the June 25, 2019 Council meeting. Staff identified four areas of undeveloped and developing parcels that will have the greatest impact with future traffic demand on the interchange and corridor. These areas included the previously studied Walmart and Annex areas, and also included a large tract on the northwest quadrant of the interchange (Church Site). The parcels south of the NW Area of the Annex were also merged into the Annex West area. These four locations are shown on the map below.



At the time and based on conversations with landowners and developers, staff developed several scenarios for potential land-uses. Each land use was assumed to generate a certain amount of daily vehicle trips, and the combined land uses for each scenario reflected the future traffic demand for that scenario. The table below summarizes the various scenarios with assumed land uses on each site.

	Land Use Assumptions for Each Traffic Analysis									
Land Use Assumptions	Scenario #1	Scenario #2	Scenario #3	Scenario #4	Scenario #5	Scenario #6	Baseline	Del Rio Specific Plan*		
Retail (Sq. Ft.)	-	80,000	20,000	-	49,000	18,000	-	254,000		
Grocery (Sq. Ft.)	-	-	30,000	-	60,000	-	-	-		
Business Park (Sq. Ft.)	150,000	50,000	30,000	230,000	80,000	349,000	220,000	-		
Office (Sq. Ft.)	-	140,000	100,000	20,000	104,000	-	-	-		
Hotel/Motel (Rooms)	210	120	120	145	120	240	220	-		
Restuarants (Sq. Ft.)	6,000	8,000	7,500	5,000	5,500	5,000	8,000	-		
Micorbrewery (Sq. Ft.)	20,000	20,000	-	-	-	-	-	-		
Coffee Shop (Sq. Ft.)	1,500	1,500	1,500	1,500	1,500	-	-	ı		
Fast-Food/Drive-Through (Sq. Ft.)	-	-	-	3,000	2,000	5,500	3,000	-		
Gas Station	1	-	1	-	1	2	1	-		
Residential (Units)	35	70	100	80	90	211	35	-		
Rv Resort (Units)	35	-	-	-	-	-	-	-		

^{*} Does not include Church Site and portions of Annex West

The 2019 Analysis showed that the additional traffic from all above land use scenarios, when combined with assumed City build-out, would result in unacceptable operations without mitigations in operational improvements.

While the conclusions of the 2019 Traffic Sensitivity Analysis indicated that acceptable traffic conditions could be achieved for the each of the land use scenarios with operational improvements (left turn lane and signal modifications), there were other factors that needed to be considered prior to concluding that the roundabout design is no longer needed.

At the June 2019 meeting, Council directed staff to pause work on the current roundabout design for the Del Rio Road Interchange Project and amend the current agreement with Wallace Group to evaluate alternative interchange and corridor improvements that are consistent with traffic needs from anticipated development in the vicinity.

2020 Traffic Sensitivity Analysis:

As a result of the 2019 Traffic Analysis, staff coordinated with the Wallace Group and W-Trans Team to move the traffic sensitivity analysis forward. The 2020 Analysis considered the following:

- The 2019 traffic sensitivity analysis was a conceptual, high-altitude evaluation of the traffic generated by land uses and sensitivities to mitigation measures. The 2020 Analysis incorporated regional growth and 20-year forecast scenarios in order to allow Caltrans to determine impacts to their facilities.
- The 2019 traffic sensitivity analysis focused on delay time and queue lengths as to whether or not mitigation measures are appropriate. The 2020 Analysis further investigates the traffic signal configurations, roadway geometrics, and right-of-way impacts. The 2020 Analysis showed that the mitigation measures proposed are feasible.
- 3. The 2019 land use scenarios were based upon projected development applications, and anticipated land uses in the vicinity. The 2020 Analysis includes land-use assumptions for planning applications that have been submitted to the City.
- 4. Caltrans owns and operates the two traffic signals at the ramp intersections of Del Rio and US 101. Caltrans priority will be mainline traffic operations on US 101 and ensuring exiting traffic does not queue onto the mainline traffic lanes from off ramps. The 2020 Analysis further studied the timing of the traffic signals and ramp queuing in preparation for coordinating with Caltrans on implementing the proposed mitigation measures. Working through the Caltrans process necessary to change the timing of the ramp intersection signals is expected to be a lengthy process.

Land Use Scenarios

Annex West projects have been submitted for permitting, and staff has had further discussions with Annex East and Church Property (NE quadrant) developers to get better clarity on likely land uses. Two additional land use scenarios were developed and analyzed based on this latest information. Below is a summary of the two additional land use scenarios and daily trip generation. Detailed traffic data for each scenario can be found in the attachments.

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Monte March Marc	Location	Component	Quantity	Unit	ITE LU#	ITE LU Name		<u> </u>
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Restaurant Pad 2	Annex West							ľ
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Multi-family zoned site 35 units 220 Multifamily Housing (Low-Rise) 7.32	Wal Mart Site							
Single family residential 100 units 210 Single-Family Detached Housing 9.44								
Single family residential 100 units 210 Single-Family Detached Housing 9.44		Multi-family zoned site	35	units	220		7.32	
Single family residential 100 units 210 Single-Family Detached Housing 9,44								7
Single family residential 100 units 210 Single-Family Detached Housing 9.44			5%			•		
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Church Property RV resort 20 units 416 Campground/Recreational Vehicle Park 2.7 12.44						Totals:		7
Church Property RV resort 20 units 416 Campground/Recreational Vehicle Park 2.7 12.44								
Light Industrial/Warehousing 100 ksf 770 Business Park 12.44		Single family residential	100	units	210	Single-Family Detached Housing	9.44	
Cocario 7 Grand Total	Church Property	RV resort	20	units	416	Campground/Recreational Vehicle Park	2.7	
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Annex West Sit-Down Restaurant Pad 2 ksf 932 High-Turnover (Sit-Down) Restaurant 112.18 Retail Pad 2 ksf 820 Shopping Center 37.75 Subtotal: 5% Pass-Food Restaurant with Drive-Through Window 470.95 Annex East Light manu w/ office & warel 190 ksf 770 Business Park 12.44 2 2 2 2 2 2 2 2 2	Location	•					Rate	Ť
Retail Pad	Location	Hotel	120	rooms	310	Hotel	Rate 8.36	1
Fast Food Restaurant with Dr 1.9		Hotel Fuel station w/ conv. Store	120 12	rooms uel site	310 945	Hotel Gasoline/Service Station with Convenience Market	Rate 8.36 205.36	1
Subtotal: 25% Pass-By for Sit-Down Restaurant Pad: 10% Pass-By for Fast Food Restaurant Pad: 10% Pass-By for Fast Food Restaurant Pad: 10% Pass-By for Fast Food Restaurant Pad: 12.44 2		Hotel Fuel station w/ conv. Store Sit-Down Restaurant Pad	120 12 2	rooms uel site ksf	310 945 932	Hotel Gasoline/Service Station with Convenience Market High-Turnover (Sit-Down) Restaurant	Rate 8.36 205.36 112.18	1 2
Signer Fast	Hotel Fuel station w/ conv. Store Sit-Down Restaurant Pad Retail Pad	120 12 2 2	rooms uel site ksf ksf	310 945 932 820	Hotel Gasoline/Service Station with Convenience Market High-Turnover (Sit-Down) Restaurant Shopping Center	Rate 8.36 205.36 112.18 37.75	1 2	
Annex East Light manu w/ office & warel 190 ksf 770 Business Park 12.44 2 7 7 7 7 7 7 7 7 7		Hotel Fuel station w/ conv. Store Sit-Down Restaurant Pad Retail Pad	120 12 2 2	rooms uel site ksf ksf	310 945 932 820	Hotel Gasoline/Service Station with Convenience Market High-Turnover (Sit-Down) Restaurant Shopping Center Fast-Food Resturant with Drive-Through Window	Rate 8.36 205.36 112.18 37.75	1 2
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Sit-Down Restaurant Pad 2 ksf 820 High-Turnover (Sit-Down) Restaurant 112.18	Annex West	Hotel Fuel station w/ conv. Store Sit-Down Restaurant Pad Retail Pad Fast Food Restaurant with D	120 12 2 2 2 1.9 5% 10%	rooms uel situ ksf ksf ksf	945 932 820 934	Hotel Gasoline/Service Station with Convenience Market High-Turnover (Sit-Down) Restaurant Shopping Center Fast-Food Resturant with Drive-Through Window Subtotal: Pass-By for Sit-Down Restaurant Pad: Pass-By for Fast Food Restaurant: Totals: Business Park	Rate 8.36 205.36 112.18 37.75 470.95	1 1 2 2 4 4 4 2 2
Mixed use: retail 15	Annex West	Hotel Fuel station w/ conv. Store Sit-Down Restaurant Pad Retail Pad Fast Food Restaurant with D	120 12 2 2 2 1.9 5% 10%	rooms uel situ ksf ksf ksf	945 932 820 934	Hotel Gasoline/Service Station with Convenience Market High-Turnover (Sit-Down) Restaurant Shopping Center Fast-Food Resturant with Drive-Through Window Subtotal: Pass-By for Sit-Down Restaurant Pad: Pass-By for Fast Food Restaurant: Totals: Business Park	Rate 8.36 205.36 112.18 37.75 470.95	1 1 2 2 4 4 4 2 2
Mixed use: retail	Annex West	Hotel Fuel station w/ conv. Store Sit-Down Restaurant Pad Retail Pad Fast Food Restaurant with D	120 12 2 2 1 1.9 5% 10%	rooms Jel site ksf ksf ksf ksf	310 945 932 820 934	Hotel Gasoline/Service Station with Convenience Market High-Turnover (Sit-Down) Restaurant Shopping Center Fast-Food Resturant with Drive-Through Window Subtotal: Pass-By for Sit-Down Restaurant Pad: Pass-By for Fast Food Restaurant: Totals: Business Park Totals:	Rate 8.36 205.36 112.18 37.75 470.95	1 1 2 2 4 4 4 2 2 2 2 2
Mixed use: residential 10 units 220 Multifamily Housing (Low-Rise) 7.32 Light Industrial/Warehousing 30 ksf 770 Business Park 12.44 Multi-family zoned site 35 units 220 Multifamily Housing (Low-Rise) 7.32 Subtotal: 15% Pass-By for Sit-Down Restaurant Pad: Internal Capture: Totals: 10 T	Annex West	Hotel Fuel station w/ conv. Store Sit-Down Restaurant Pad Retail Pad Fast Food Restaurant with D Light manu w/ office & ware	120 12 2 2 7 1.9 5% 10%	rooms Jel situ ksf ksf ksf ksf	310 945 932 820 934 770	Hotel Gasoline/Service Station with Convenience Market High-Turnover (Sit-Down) Restaurant Shopping Center Fast-Food Resturant with Drive-Through Window Subtotal: Pass-By for Sit-Down Restaurant Pad: Pass-By for Fast Food Restaurant: Totals: Business Park Totals:	Rate 8.36 205.36 112.18 37.75 470.95	4
Light Industrial/Warehousing 30 ksf 770 Business Park 12.44	Annex West Annex East	Hotel Fuel station w/ conv. Store Sit-Down Restaurant Pad Retail Pad Fast Food Restaurant with D Light manu w/ office & ware Warehousing Sit-Down Restaurant Pad Mixed use retail	120 12 2 2 1 1.9 5% 10%	ksf ksf ksf ksf ksf	310 945 932 820 934 770	Hotel Gasoline/Service Station with Convenience Market High-Turnover (Sit-Down) Restaurant Shopping Center Fast-Food Resturant with Drive-Through Window Subtotal: Pass-By for Sit-Down Restaurant Pad: Pass-By for Fast Food Restaurant: Totals: Business Park Totals: Warehousing High-Turnover (Sit-Down) Restaurant	Rate 8.36 205.36 112.18 37.75 470.95 12.44	4
Multi-family zoned site 35 units 220 Multifamily Housing (Low-Rise) 7.32	Annex West Annex East	Hotel Fuel station w/ conv. Store Sit-Down Restaurant Pad Retail Pad Fast Food Restaurant with D Light manu w/ office & ware Warehousing Sit-Down Restaurant Pad Mixed use: retail	120 12 2 2 7 1.9 5% 10% 190	ksf ksf ksf ksf ksf ksf ksf ksf	310 945 932 820 934 770 150 820 932	Hotel Gasoline/Service Station with Convenience Market High-Turnover (Sit-Down) Restaurant Shopping Center Fast-Food Resturant with Drive-Through Window Subtotal: Pass-By for Sit-Down Restaurant Pad: Pass-By for Fast Food Restaurant: Totals: Business Park Totals: Warehousing High-Turnover (Sit-Down) Restaurant Shopping Center	Rate 8.36 205.36 112.18 37.75 470.95 12.44 112.44 112.18 37.75	4
Subtotal: 1	Annex West Annex East	Hotel Fuel station w/ conv. Store Sit-Down Restaurant Pad Retail Pad Fast Food Restaurant with D Light manu w/ office & ware Warehousing Sit-Down Restaurant Pad Mixed use: retail Mixed use: residential	120 12 2 2 7 1.9 5% 10% 190	ksf ksf ksf ksf ksf	310 945 932 820 934 770 150 820 932 220	Hotel Gasoline/Service Station with Convenience Market High-Turnover (Sit-Down) Restaurant Shopping Center Fast-Food Resturant with Drive-Through Window Subtotal: Pass-By for Sit-Down Restaurant Pad: Pass-By for Fast Food Restaurant: Totals: Business Park Totals: Warehousing High-Turnover (Sit-Down) Restaurant Shopping Center Multifamily Housing (Low-Rise)	Rate 8.36 205.36 112.18 37.75 470.95 12.44 112.44 112.18 37.75 7.32	4 4 2 2 2
Single family residential 120 units 210 Single-Family Detached Housing 9.44 17	Annex West Annex East	Hotel Fuel station w/ conv. Store Sit-Down Restaurant Pad Retail Pad Fast Food Restaurant with D Light manu w/ office & ware Warehousing Sit-Down Restaurant Pad Mixed use: retail Mixed use: residential Light Industrial/Warehousin	120 12 2 2 7 1.9 5% 10% 190	ksf ksf ksf units ksf	310 945 932 820 934 770 150 820 932 220 770	Hotel Gasoline/Service Station with Convenience Market High-Turnover (Sit-Down) Restaurant Shopping Center Fast-Food Resturant with Drive-Through Window Subtotal: Pass-By for Sit-Down Restaurant Pad: Pass-By for Fast Food Restaurant: Totals: Business Park Totals: Warehousing High-Turnover (Sit-Down) Restaurant Shopping Center Multifamily Housing (Low-Rise) Business Park	Rate 8.36 205.36 112.18 37.75 470.95 12.44 112.18 37.75 7.32 12.44	4
Single family residential 120 units 210 Single-Family Detached Housing 9.44 17	Annex West Annex East	Hotel Fuel station w/ conv. Store Sit-Down Restaurant Pad Retail Pad Fast Food Restaurant with D Light manu w/ office & ware Warehousing Sit-Down Restaurant Pad Mixed use: retail Mixed use: residential Light Industrial/Warehousin	120 12 2 2 7 1.9 5% 10% 190	ksf ksf ksf units ksf	310 945 932 820 934 770 150 820 932 220 770	Hotel Gasoline/Service Station with Convenience Market High-Turnover (Sit-Down) Restaurant Shopping Center Fast-Food Resturant with Drive-Through Window Subtotal: Pass-By for Sit-Down Restaurant Pad: Pass-By for Fast Food Restaurant: Totals: Business Park Totals: Warehousing High-Turnover (Sit-Down) Restaurant Shopping Center Multifamily Housing (Low-Rise) Business Park Multifamily Housing (Low-Rise)	Rate 8.36 205.36 112.18 37.75 470.95 12.44 112.18 37.75 7.32 12.44	4
Single family residential 120 units 210 Single-Family Detached Housing 9.44 124 Hotel 120 units 310 Hotel 5.49 Light Industrial/Warehousing 36 ksf 770 Business Park 12.44 Church Property Retail Pad 1 3.5 ksf 820 Shopping Center 37.75 Retail Pad 2 3.5 ksf 820 Shopping Center 37.75 Micro-Brewery 5 ksf 970 Winery 45.96 Sit Down Quality Restaurant 2.5 ksf 931 Quality Restaurant 83.84 Subtotal: 5% Internal Capture:	Annex West Annex East	Hotel Fuel station w/ conv. Store Sit-Down Restaurant Pad Retail Pad Fast Food Restaurant with D Light manu w/ office & ware Warehousing Sit-Down Restaurant Pad Mixed use: retail Mixed use: residential Light Industrial/Warehousin	120 12 12 2 2 7 1.9 5% 10% 190 30 2 15 10 8 30 35	ksf ksf ksf units ksf	310 945 932 820 934 770 150 820 932 220 770	Hotel Gasoline/Service Station with Convenience Market High-Turnover (Sit-Down) Restaurant Shopping Center Fast-Food Resturant with Drive-Through Window Subtotal: Pass-By for Sit-Down Restaurant Pad: Pass-By for Fast Food Restaurant: Totals: Business Park Totals: Warehousing High-Turnover (Sit-Down) Restaurant Shopping Center Multifamily Housing (Low-Rise) Business Park Multifamily Housing (Low-Rise) Subtotal:	Rate 8.36 205.36 112.18 37.75 470.95 12.44 112.18 37.75 7.32 12.44	4 4 2 2 2
Single family residential 120 units 210 Single-Family Detached Housing 9.44 120 Hotel 120 units 310 Hotel 5.49 Light Industrial/Warehousing 36 ksf 770 Business Park 12.44 Retail Pad 1 3.5 ksf 820 Shopping Center 37.75 Retail Pad 2 3.5 ksf 820 Shopping Center 37.75 Micro-Brewery 5 ksf 970 Winery 45.96 Sit Down Quality Restaurant 2.5 ksf 931 Quality Restaurant 83.84 Subtotal: 5% Internal Capture:	Annex West Annex East	Hotel Fuel station w/ conv. Store Sit-Down Restaurant Pad Retail Pad Fast Food Restaurant with D Light manu w/ office & ware Warehousing Sit-Down Restaurant Pad Mixed use: retail Mixed use: residential Light Industrial/Warehousin	120 12 2 2 7 1.9 5% 10% 190 30 2 15 10 8 30 35 5%	ksf ksf ksf units ksf	310 945 932 820 934 770 150 820 932 220 770	Hotel Gasoline/Service Station with Convenience Market High-Turnover (Sit-Down) Restaurant Shopping Center Fast-Food Resturant with Drive-Through Window Subtotal: Pass-By for Sit-Down Restaurant Pad: Pass-By for Fast Food Restaurant: Totals: Business Park Totals: Warehousing High-Turnover (Sit-Down) Restaurant Shopping Center Multifamily Housing (Low-Rise) Business Park Multifamily Housing (Low-Rise) Subtotal: Pass-By for Sit-Down Restaurant Pad:	Rate 8.36 205.36 112.18 37.75 470.95 12.44 112.18 37.75 7.32 12.44	1 1 2 2 2 2 2 2 1 1 1 1 1 1 1 1 1 1 1 1
Hotel 120 units 310 Hotel 5.49	Annex West Annex East	Hotel Fuel station w/ conv. Store Sit-Down Restaurant Pad Retail Pad Fast Food Restaurant with D Light manu w/ office & ware Warehousing Sit-Down Restaurant Pad Mixed use: retail Mixed use: residential Light Industrial/Warehousin	120 12 2 2 7 1.9 5% 10% 190 30 2 15 10 8 30 35 5%	ksf ksf ksf units ksf	310 945 932 820 934 770 150 820 932 220 770	Hotel Gasoline/Service Station with Convenience Market High-Turnover (Sit-Down) Restaurant Shopping Center Fast-Food Resturant with Drive-Through Window Subtotal: Pass-By for Sit-Down Restaurant Pad: Pass-By for Fast Food Restaurant: Totals: Business Park Totals: Warehousing High-Turnover (Sit-Down) Restaurant Shopping Center Multifamily Housing (Low-Rise) Business Park Multifamily Housing (Low-Rise) Subtotal: Pass-By for Sit-Down Restaurant Pad: Internal Capture:	Rate 8.36 205.36 112.18 37.75 470.95 12.44 112.18 37.75 7.32 12.44	1 1 2 2 2 2 2 1 1 1 1 1 1 1 1 1 1 1 1 1
Hotel 120 units 310 Hotel 5.49	Annex West Annex East	Hotel Fuel station w/ conv. Store Sit-Down Restaurant Pad Retail Pad Fast Food Restaurant with D Light manu w/ office & ware Warehousing Sit-Down Restaurant Pad Mixed use: retail Mixed use: residential Light Industrial/Warehousin	120 12 2 2 7 1.9 5% 10% 190 30 2 15 10 8 30 35 5%	ksf ksf ksf units ksf	310 945 932 820 934 770 150 820 932 220 770	Hotel Gasoline/Service Station with Convenience Market High-Turnover (Sit-Down) Restaurant Shopping Center Fast-Food Resturant with Drive-Through Window Subtotal: Pass-By for Sit-Down Restaurant Pad: Pass-By for Fast Food Restaurant: Totals: Business Park Totals: Warehousing High-Turnover (Sit-Down) Restaurant Shopping Center Multifamily Housing (Low-Rise) Business Park Multifamily Housing (Low-Rise) Subtotal: Pass-By for Sit-Down Restaurant Pad: Internal Capture:	Rate 8.36 205.36 112.18 37.75 470.95 12.44 112.18 37.75 7.32 12.44	1 1 2 2 2 2 2 1 1 1 1 1 1 1 1 1 1 1 1 1
Light Industrial/Warehousing 36 ksf 770 Business Park 12.44 Church Property Retail Pad 1 3.5 ksf 820 Shopping Center 37.75 Retail Pad 2 3.5 ksf 820 Shopping Center 37.75 Micro-Brewery 5 ksf 970 Winery 45.96 Sit Down Quality Restaurant 2.5 ksf 931 Quality Restaurant 83.84 Subtotal: 5% Internal Capture:	Annex West Annex East	Hotel Fuel station w/ conv. Store Sit-Down Restaurant Pad Retail Pad Fast Food Restaurant with D Light manu w/ office & ware Warehousing Sit-Down Restaurant Pad Mixed use: retail Mixed use: residential Light Industrial/Warehousin Multi-family zoned site	120 12 12 2 2 7 1.9 5% 10% 190 30 2 15 10 8 30 35 5% 5%	ksf ksf ksf units	310 945 932 820 934 770 150 820 932 220 770 220	Hotel Gasoline/Service Station with Convenience Market High-Turnover (Sit-Down) Restaurant Shopping Center Fast-Food Resturant with Drive-Through Window Subtotal: Pass-By for Sit-Down Restaurant Pad: Pass-By for Fast Food Restaurant: Totals: Business Park Totals: Warehousing High-Turnover (Sit-Down) Restaurant Shopping Center Multifamily Housing (Low-Rise) Business Park Multifamily Housing (Low-Rise) Subtotal: Pass-By for Sit-Down Restaurant Pad: Internal Capture: Totals:	12.44 1.74 112.18 37.75 470.95	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Church Property Retail Pad 1 3.5 ksf 820 Shopping Center 37.75 Retail Pad 2 3.5 ksf 820 Shopping Center 37.75 Micro-Brewery 5 ksf 970 Winery 45.96 Sit Down Quality Restaurant 2.5 ksf 931 Quality Restaurant 83.84 Subtotal: 5% Internal Capture:	Annex West Annex East	Hotel Fuel station w/ conv. Store Sit-Down Restaurant Pad Retail Pad Fast Food Restaurant with D Light manu w/ office & ware Warehousing Sit-Down Restaurant Pad Mixed use: retail Mixed use: residential Light Industrial/Warehousin Multi-family zoned site	120 12 12 2 2 7 1.9 5% 10% 190 30 2 15 10 8 30 35 5% 5%	ksf ksf ksf units units	310 945 932 820 934 770 150 820 932 220 770 220	Hotel Gasoline/Service Station with Convenience Market High-Turnover (Sit-Down) Restaurant Shopping Center Fast-Food Resturant with Drive-Through Window Subtotal: Pass-By for Sit-Down Restaurant Pad: Pass-By for Fast Food Restaurant: Totals: Business Park Totals: Warehousing High-Turnover (Sit-Down) Restaurant Shopping Center Multifamily Housing (Low-Rise) Business Park Multifamily Housing (Low-Rise) Subtotal: Pass-By for Sit-Down Restaurant Pad: Internal Capture: Totals:	12.44 112.18 37.75 470.95 12.44 1.74 112.18 37.75 7.32 12.44 7.32	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Retail Pad 2 3.5 ksf 820 Shopping Center 37.75 Micro-Brewery 5 ksf 970 Winery 45.96 Sit Down Quality Restaurant 2.5 ksf 931 Quality Restaurant 83.84 Subtotal: 5% Internal Capture: -	Annex West Annex East	Hotel Fuel station w/ conv. Store Sit-Down Restaurant Pad Retail Pad Fast Food Restaurant with D Light manu w/ office & ware Warehousing Sit-Down Restaurant Pad Mixed use: retail Mixed use: residential Light Industrial/Warehousin Multi-family zoned site Single family residential Hotel	120 120 12 2 2 7 1.9 5% 10% 190 30 2 15 10 8 30 35 5% 5% 5%	ksf ksf ksf units units units	310 945 932 820 934 770 150 820 932 220 770 220	Hotel Gasoline/Service Station with Convenience Market High-Turnover (Sit-Down) Restaurant Shopping Center Fast-Food Resturant with Drive-Through Window Subtotal: Pass-By for Sit-Down Restaurant Pad: Pass-By for Fast Food Restaurant: Totals: Business Park Totals: Warehousing High-Turnover (Sit-Down) Restaurant Shopping Center Multifamily Housing (Low-Rise) Business Park Multifamily Housing (Low-Rise) Subtotal: Pass-By for Sit-Down Restaurant Pad: Internal Capture: Totals: Single-Family Detached Housing Hotel	12.44 112.18 37.75 470.95 12.44 1.74 112.18 37.75 7.32 12.44 7.32	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Micro-Brewery 5 ksf 970 Winery 45.96 Sit Down Quality Restaurant 2.5 ksf 931 Quality Restaurant 83.84 Subtotal: 5% Internal Capture:	Annex East Wal Mart Site	Hotel Fuel station w/ conv. Store Sit-Down Restaurant Pad Retail Pad Fast Food Restaurant with D Light manu w/ office & ware Warehousing Sit-Down Restaurant Pad Mixed use: retail Mixed use: residential Light Industrial/Warehousin Multi-family zoned site Single family residential Hotel Light Industrial/Warehousin	120 120 12 2 2 7 1.9 5% 10% 10% 190 30 2 2 15 10 8 30 35 5% 5% 5%	ksf ksf units units ksf	310 945 932 820 934 770 150 820 770 220 210 310 770	Hotel Gasoline/Service Station with Convenience Market High-Turnover (Sit-Down) Restaurant Shopping Center Fast-Food Resturant with Drive-Through Window Subtotal: Pass-By for Sit-Down Restaurant Pad: Pass-By for Fast Food Restaurant: Totals: Business Park Totals: Warehousing High-Turnover (Sit-Down) Restaurant Shopping Center Multifamily Housing (Low-Rise) Business Park Multifamily Housing (Low-Rise) Subtotal: Pass-By for Sit-Down Restaurant Pad: Internal Capture: Totals: Single-Family Detached Housing Hotel Business Park	12.44 112.18 37.75 470.95 12.44 1.74 1.74 1.74 1.732 1.2.44 7.32 1.2.44 7.32	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Sit Down Quality Restaurant 2.5 ksf 931 Quality Restaurant 83.84 Subtotal: 5% Internal Capture:	Annex East Wal Mart Site	Hotel Fuel station w/ conv. Store Sit-Down Restaurant Pad Retail Pad Fast Food Restaurant with D Light manu w/ office & ware Warehousing Sit-Down Restaurant Pad Mixed use: retail Mixed use: residential Light Industrial/Warehousin Multi-family zoned site Single family residential Hotel Light Industrial/Warehousin	120 120 12 2 2 7 1.9 5% 10% 10% 190 30 2 2 15 10 8 30 35 5% 5% 5%	ksf ksf units units ksf	310 945 932 820 934 770 150 820 770 220 210 310 770	Hotel Gasoline/Service Station with Convenience Market High-Turnover (Sit-Down) Restaurant Shopping Center Fast-Food Resturant with Drive-Through Window Subtotal: Pass-By for Sit-Down Restaurant Pad: Pass-By for Fast Food Restaurant: Totals: Business Park Totals: Warehousing High-Turnover (Sit-Down) Restaurant Shopping Center Multifamily Housing (Low-Rise) Business Park Multifamily Housing (Low-Rise) Subtotal: Pass-By for Sit-Down Restaurant Pad: Internal Capture: Totals: Single-Family Detached Housing Hotel Business Park	12.44 112.18 37.75 470.95 12.44 1.74 1.74 1.74 1.732 1.2.44 7.32 1.2.44 7.32	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Sit Down Quality Restaurant 2.5 ksf 931 Quality Restaurant 83.84 Subtotal: 5% Internal Capture:	Annex East Wal Mart Site	Hotel Fuel station w/ conv. Store Sit-Down Restaurant Pad Retail Pad Fast Food Restaurant with D Light manu w/ office & ware Warehousing Sit-Down Restaurant Pad Mixed use: retail Mixed use: retail Mixed use: residential Light Industrial/Warehousin Multi-family zoned site Single family residential Hotel Light Industrial/Warehousin y Retail Pad 1	120 120 12 2 2 7 1.9 5% 10% 10% 10% 10% 10% 10% 10% 10	ksf ksf units units units ksf ksf	310 945 932 820 934 770 150 820 770 220 210 310 770 820	Hotel Gasoline/Service Station with Convenience Market High-Turnover (Sit-Down) Restaurant Shopping Center Fast-Food Resturant with Drive-Through Window Subtotal: Pass-By for Sit-Down Restaurant Pad: Pass-By for Fast Food Restaurant: Totals: Business Park Totals: Warehousing High-Turnover (Sit-Down) Restaurant Shopping Center Multifamily Housing (Low-Rise) Business Park Multifamily Housing (Low-Rise) Subtotal: Pass-By for Sit-Down Restaurant Pad: Internal Capture: Totals: Single-Family Detached Housing Hotel Business Park Shopping Center	12.44 112.18 37.75 470.95 12.44 112.18 37.75 7.32 12.44 7.32	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Subtotal: 2 5% Internal Capture: -	Annex East Wal Mart Site	Hotel Fuel station w/ conv. Store Sit-Down Restaurant Pad Retail Pad Fast Food Restaurant with D Light manu w/ office & ware Warehousing Sit-Down Restaurant Pad Mixed use: retail Mixed use: retail Mixed use: residential Light Industrial/Warehousin Multi-family zoned site Single family residential Hotel Light Industrial/Warehousin Retail Pad 1 Retail Pad 2	120 120 12 2 2 1 1.9 5% 10% 10% 10% 10% 10% 10% 10% 10	ksf ksf units units units ksf ksf ksf	310 945 932 820 934 770 150 820 932 220 770 220 210 310 770 820 820 820	Hotel Gasoline/Service Station with Convenience Market High-Turnover (Sit-Down) Restaurant Shopping Center Fast-Food Resturant with Drive-Through Window Subtotal: Pass-By for Sit-Down Restaurant Pad: Pass-By for Fast Food Restaurant: Totals: Business Park Totals: Warehousing High-Turnover (Sit-Down) Restaurant Shopping Center Multifamily Housing (Low-Rise) Business Park Multifamily Housing (Low-Rise) Subtotal: Pass-By for Sit-Down Restaurant Pad: Internal Capture: Totals: Single-Family Detached Housing Hotel Business Park Shopping Center Shopping Center	Rate 8.36 205.36 112.18 37.75 470.95 12.44 112.18 37.75 7.32 12.44 7.32 9.44 5.49 12.44 37.75 37.75	1 1 1 1
5% Internal Capture:	Annex East Wal Mart Site	Hotel Fuel station w/ conv. Store Sit-Down Restaurant Pad Retail Pad Fast Food Restaurant with D Light manu w/ office & ware Warehousing Sit-Down Restaurant Pad Mixed use: retail Mixed use: residential Light Industrial/Warehousin Multi-family zoned site Single family residential Hotel Light Industrial/Warehousin Retail Pad 1 Retail Pad 2 Micro-Brewery	120 120 12 2 2 1 1.9 5% 10% 10% 10% 10% 10% 10% 10% 10	ksf ksf units units units ksf ksf ksf	310 945 932 820 934 770 150 820 932 220 770 220 210 310 770 820 820 932 933 934 934	Hotel Gasoline/Service Station with Convenience Market High-Turnover (Sit-Down) Restaurant Shopping Center Fast-Food Resturant with Drive-Through Window Subtotal: Pass-By for Sit-Down Restaurant Pad: Pass-By for Fast Food Restaurant: Totals: Business Park Totals: Warehousing High-Turnover (Sit-Down) Restaurant Shopping Center Multifamily Housing (Low-Rise) Business Park Multifamily Housing (Low-Rise) Subtotal: Pass-By for Sit-Down Restaurant Pad: Internal Capture: Totals: Single-Family Detached Housing Hotel Business Park Shopping Center Shopping Center Shopping Center Shopping Center	Rate 8.36 205.36 112.18 37.75 470.95 12.44 112.18 37.75 7.32 12.44 7.32 9.44 5.49 12.44 37.75 37.75 45.96	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
•	Annex East Wal Mart Site	Hotel Fuel station w/ conv. Store Sit-Down Restaurant Pad Retail Pad Fast Food Restaurant with D Light manu w/ office & ware Warehousing Sit-Down Restaurant Pad Mixed use: retail Mixed use: residential Light Industrial/Warehousin Multi-family zoned site Single family residential Hotel Light Industrial/Warehousin Retail Pad 1 Retail Pad 2 Micro-Brewery	120 120 12 2 2 1 1.9 5% 10% 10% 10% 10% 10% 10% 10% 10	ksf ksf units units units ksf ksf ksf	310 945 932 820 934 770 150 820 932 220 770 220 210 310 770 820 820 932 933 934 934	Hotel Gasoline/Service Station with Convenience Market High-Turnover (Sit-Down) Restaurant Shopping Center Fast-Food Resturant with Drive-Through Window Subtotal: Pass-By for Sit-Down Restaurant Pad: Pass-By for Fast Food Restaurant: Totals: Business Park Totals: Warehousing High-Turnover (Sit-Down) Restaurant Shopping Center Multifamily Housing (Low-Rise) Business Park Multifamily Housing (Low-Rise) Subtotal: Pass-By for Sit-Down Restaurant Pad: Internal Capture: Totals: Single-Family Detached Housing Hotel Business Park Shopping Center Shopping Center Shopping Center Shopping Center Shopping Center Winery Quality Restaurant	Rate 8.36 205.36 112.18 37.75 470.95 12.44 112.18 37.75 7.32 12.44 7.32 9.44 5.49 12.44 37.75 37.75 45.96	1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 2 2 2 2
iotals: 2	Annex East Wal Mart Site	Hotel Fuel station w/ conv. Store Sit-Down Restaurant Pad Retail Pad Fast Food Restaurant with D Light manu w/ office & ware Warehousing Sit-Down Restaurant Pad Mixed use: retail Mixed use: residential Light Industrial/Warehousin Multi-family zoned site Single family residential Hotel Light Industrial/Warehousin Retail Pad 1 Retail Pad 2 Micro-Brewery	120 120 12 2 2 1 1.9 5% 10% 10% 10% 10% 10% 100% 100% 100% 1	ksf ksf units units units ksf ksf ksf	310 945 932 820 934 770 150 820 932 220 770 220 210 310 770 820 820 932 933 934 934	Hotel Gasoline/Service Station with Convenience Market High-Turnover (Sit-Down) Restaurant Shopping Center Fast-Food Resturant with Drive-Through Window Subtotal: Pass-By for Sit-Down Restaurant Pad: Pass-By for Fast Food Restaurant: Totals: Business Park Totals: Warehousing High-Turnover (Sit-Down) Restaurant Shopping Center Multifamily Housing (Low-Rise) Business Park Multifamily Housing (Low-Rise) Subtotal: Pass-By for Sit-Down Restaurant Pad: Internal Capture: Totals: Single-Family Detached Housing Hotel Business Park Shopping Center Winery Quality Restaurant	Rate 8.36 205.36 112.18 37.75 470.95 12.44 112.18 37.75 7.32 12.44 7.32 9.44 5.49 12.44 37.75 37.75 45.96	1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 2 2 2 2
	Annex East Wal Mart Site	Hotel Fuel station w/ conv. Store Sit-Down Restaurant Pad Retail Pad Fast Food Restaurant with D Light manu w/ office & ware Warehousing Sit-Down Restaurant Pad Mixed use: retail Mixed use: residential Light Industrial/Warehousin Multi-family zoned site Single family residential Hotel Light Industrial/Warehousin Retail Pad 1 Retail Pad 2 Micro-Brewery	120 120 12 2 2 1 1.9 5% 10% 10% 10% 10% 10% 100% 100% 100% 1	ksf ksf units units units ksf ksf ksf	310 945 932 820 934 770 150 820 932 220 770 220 210 310 770 820 820 932 933 934 934	Hotel Gasoline/Service Station with Convenience Market High-Turnover (Sit-Down) Restaurant Shopping Center Fast-Food Resturant with Drive-Through Window Subtotal: Pass-By for Sit-Down Restaurant Pad: Pass-By for Fast Food Restaurant: Totals: Business Park Totals: Warehousing High-Turnover (Sit-Down) Restaurant Shopping Center Multifamily Housing (Low-Rise) Business Park Multifamily Housing (Low-Rise) Subtotal: Pass-By for Sit-Down Restaurant Pad: Internal Capture: Totals: Single-Family Detached Housing Hotel Business Park Shopping Center Shopping Center Shopping Center Winery Quality Restaurant Subtotal: Internal Capture:	Rate 8.36 205.36 112.18 37.75 470.95 12.44 112.18 37.75 7.32 12.44 7.32 9.44 5.49 12.44 37.75 37.75 45.96	1 1 1 1 1 1 1 2 2 2

The above trip generation analysis also evaluated traffic demand at peak hours during morning and afternoon commute times (7:00 am to 9:00 am, 4:00 pm to 6:00 pm). The following table summarizes new trip generation from all scenarios evaluated in the 2019 and 2020 Analysis.

Trip Generation Summary

	Trip deficiation summary						
	Daily	A	AM Peak		l	PM Peak	
Scenario	Trips	Trips	In	Out	Trips	In	Out
1	8556	515	281	233	608	317	291
2	8482	592	377	213	826	372	455
3	10941	670	395	274	856	412	445
1A	7371	468	248	219	553	292	261
4	7535	507	279	227	436	221	216
Baseline	8909	536	281	255	555	291	263
5	14764	889	529	359	1182	570	613
6	16138	929	467	462	1032	539	492
7a	2563	146	79	67	186	99	87
7b	8817	341	190	151	618	315	304
7c	12098	432	242	190	893	451	442
7d	14340	550	286	264	1039	535	504
8a	6849	369	201	168	395	200	195
8b	8305	436	234	202	510	260	250
8c	11102	590	293	297	762	402	360

Level of Service and Queue Length

The traffic demand during peak hours sets a basis for how much delay can be expected at each intersection and how many vehicles queue (stack) in available queue length storage leading up to the intersections. Delay and overall intersection performance is measured in terms of Level of Service (LOS) from A through F based upon the number of seconds it takes to get through an intersection. The following table summarizes the LOS for traffic signalized intersections delay times.

	Average Control Delay	
LOS	(sec./vehicle)	Type of Traffic Flow
Α	0 to 10	Stable
В	>10 to 20	Stable
С	>20 to 35	Stable
D	> 35 to 55	Approaching Unstable
Е	>55 to 80	Unstable
F	>80	Forced

Queue length is more or less a pass/fail grade based upon whether there is enough stacking capacity for vehicles to wait to pass through an intersection without spilling into nearby lanes. Available queue lengths are measured for each intersection leg approach and compared to the combined length of vehicles waiting in each lane.

The City's General Plan Circulation Element Policy 1.3 addresses Level of Service as follows:

"Maintain LOC C or better as the standard at all intersections and on all arterial and collector roads. Upon City Council approval, accept LOS D where residences are not directly impacted and improvements to meet the City's standard would be prohibitively costly or disruptive."

W-Trans performed traffic analysis for each intersection to determine delay and queue for traffic demand of existing + future regional growth + land use scenario 8c (worst case). This traffic demand was performed with the following conditions:

- 1. Existing layout (no mitigations).
- 2. Mitigation 1 (M1) = Add westbound right-turn lane pocket to westbound Del Rio to northbound US 101 ramp.
- 3. Mitigation 2 (M2) = M1 plus the following signal modifications:
 - a. Signal interconnect and coordination for all locations.
 - b. ECR/Del Rio northbound left-turn: Replace protected movement with protected+permissive movement
 - c. ECR/Del Rio southbound left-turn: Replace protected movement with permissive movement
 - d. ECR/Del Rio southbound approach: Added right-turn lane.

The following tables summarizes the delays and queuing for Future+LU 8c:

Delay Summary Table

			Del Rio	Road &	Del Rio	Road &			Del Rio	Road &
			US-101		US-101				Ramon	a Road
	Del Rio Road &		Northbound		Southbound		Del Rio Road &		(North	bound
	El Cami	no Real	Rar	nps	Ran	nps	Ramon	a Road	Appr	oach)
Land Use (LU) Scenario	AM	PM	AM	PM	AM	PM	AM	PM	AM	PM
Future+LU 8c		119.0		14.3		21.9		0.8		10.5
Mitigation 1 = Add westbound right-turn la	Mitigation 1 = Add westbound right-turn lane at Del Rio Road/US-101 Northbound Ramps									
Future+LU 8c		119.0		10.1		22.1		0.8		10.5
Mitigation 2 = Mitigations 1 plus signal modifications (see below)										
Future+LU 8c	14.2	19.3	14.1	18.2	19.2	27.3	0.8	0.8	10.5	10.5
LOS	В	В	В	В	В	С	Α	Α	В	В

Queue Length Summary Table

								Del Rio		
		El Camino Real/Del Rio Road							Rd/Ramona Rd	
	NB App	NB Approach SB Approach EB Approach WB Approach					EB Approach			
Land Use (LU) Scenario	AM	PM	AM	PM	AM	PM	AM	PM	AM	PM
Ex. Lengths					240	240				
Future+LU 8c		1029		222		263		100		194
										•
Mitigation 1 = Add westbound right-turn la	ane at De	el Rio Ro	ad/US-1	01 North	bound F	Ramps				
Future+LU 8c		1049		206		266		99		190
Mitigation 2 = Mitigations 1 plus signal modifications (see below)										
Future+LU 8c	148	254	114	131	172	237	120	119	196	189

	Del Rio Road/US 101 South Ramps					Del Rio Road/US 101 North Ramps						
	WB Ap	proach	EB App	oroach	SB App	oroach	WB Approach EB Approach		NB Approach			
Land Use (LU) Scenario	AM	PM	AM	PM	AM	PM	AM	PM	AM	PM	AM	PM
Ex. Lengths	290	290			960	960	240	240	290	290	900	900
Future+LU 8c		214		73		660		222		366		119
Mitigation 1 = Add westbound right-turn Is	Mitigation 1 = Add westbound right-turn lane at Del Rio Road/US-101 Northbound Ramps											
Future+LU 8c		241		76		654		114		270		124
Mitigation 2 = Mitigations 1 plus signal modifications (see below)												
Future+LU 8c	281	287	73	74	194	377	154	105	148	215	82	129

^{*} Signal modifications:

All locations: Signal interconnect and coordination

El Camino Real/Del Rio Northbound Left-Turn: Replace protected movement with protected+permissive movement

El Camino Real/Del Rio Southbound Left-Turn: Replace protected movement with permissive movement

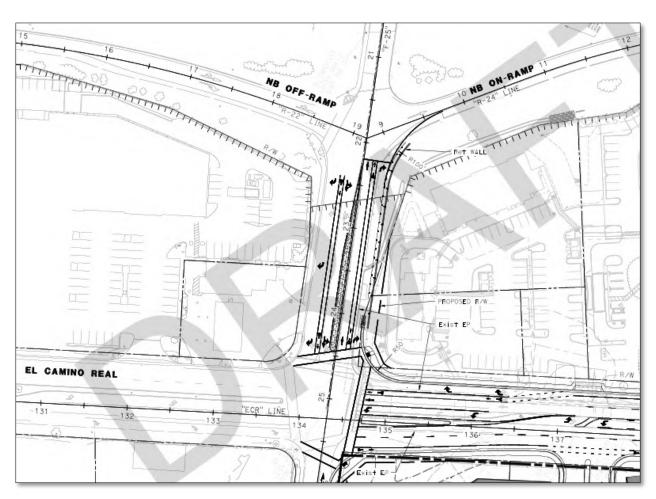
El Camino Real/Del Rio Southbound Approach: Added right-turn lane

The above tables indicate that all intersections work acceptably with Mitigation 2, both from a level of service and adequate queue length. Additional traffic information is included in the attachments.

Proposed Improvements:

Mitigation 2 Improvements

Wallace Group prepared preliminary geometric layouts showing Mitigation 2 improvements adding a westbound left-turn lane pocket and a ECR southbound right-turn lane pocket (see below and attached). Both added lanes front the proposed Taco Bell restaurant on the northwest corner of Del Rio Road and ECR. A retaining wall is proposed to be utilized to minimize Right-of-way needed for the improvements, which includes a ten-foot wide maintenance access offset from the wall. The additional right-turn lane pocket for southbound El Camino Real is currently conditioned to be constructed as part of frontage improvements with Taco Bell. It appears that the current layout of the Taco Bell project will need some slight tweaks to accommodate Mitigation 2 improvements.



Staff also received existing timing and phasing for the US 101 traffic signals from Caltrans. The two signals already have existing interconnection, which should simplify interconnection to the El Camino Real signal. Other Mitigation 2 improvements related to the signal modifications at El Camino Real are program and equipment related and do not impact geometric layouts significantly.

Alternative Phase 2 Improvements (Bridge Widening)

Although the 2020 Traffic Analysis demonstrates that Mitigation 2 improvements will allow the interchange and corridors to operate in an acceptable manner, this analysis is based upon assumed future land use along with current General Plan buildout. Mitigation 2 improvements will require significantly less land acquisition than the roundabout concept, which will provide more buildable land for the adjacent developers. However, if actual future traffic demands are significantly higher than those calculated with the analysis, a roundabout concept will likely be infeasible due to the unavailable land or high cost for land and building acquisition.

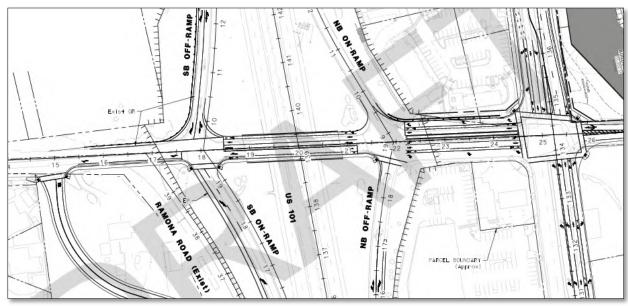
Council has the discretionary authority to approve all amendments to the specific plan and to the General Plan. As part of that authority, Council could restrict certain land uses or business types that create higher traffic levels (e.g. fast food restaurant with drive thru) to control traffic demand volumes to help provide certainty.

What options would the City have if a large traffic generating use is proposed in the future and it is something that the Council feels is right for the City? A widening of the bridge

over Highway 101 could increase the capacity beyond the capacity anticipated in the landuse scenarios studied. A bridge widening could also occur as part of CalTrans bridge replacement program. The current bridge was constructed in the 1960's and will likely be replaced sometime in the next 15-30 years. At that time, it is likely that CalTrans will want to widen the bridge, at a minimum to support bike lanes and additional sidewalks.

Because some sort of bridge widening is likely to be required in the future, the City could pursue Mitigation 2 improvements now (Phase 1) but have a backup plan to increase traffic capacity by bridge widening (Phase 2) in the event that future traffic demand is significantly more than what Mitigation 2 improvements provide.

Wallace prepared a preliminary geometric concept layout for a potential bridge widening to accommodate a new center left-turn lane to the bridge (see attached). The bridge widening would primarily occur on the south side but may require additional land acquisition of approximately ten feet for Del Rio Road from the Taco Bell site. While this additional land acquisition would only be needed if a bridge widening were to occur, it would be important to consider a plan line setback so permanent structures are not constructed within it.



Next Steps

Staff and its consultants are scheduled to meet with the Caltrans project manager and traffic engineers to discuss the traffic analysis and proposed improvements prior to the March 10 Council meeting. If Caltrans is receptive to the traffic analysis and proposed improvements, a new scope of work, fee, and schedule will be developed and discussed with Council in the near future.

It is anticipated that the Council will consider adopting amendments to the Del Rio Area Specific Plan to reflect these new land uses and future traffic demand later this spring. The roundabout concept for the corridor, as well as other offsite public improvements and funding contributions by developers, are mitigations required by the Specific Plan EIR. Alternative designs and prorated cost allocations should be developed in conjunction with any amendments or revisions to the Specific Plan. As such, a plan line for the Del Rio Road / US 101 / El Camino Real Corridor will also be considered for adoption by the

Council that identifies right-of-way areas needed for the alternative improvement design. Adopting the plan line will allow the City to enforce building setbacks to accommodate future right-of-way needs. Applicability of previously conditioned off-site public improvements (e.g., new traffic signal at K-Mart entrance) will also be re-evaluated.

Changes needed to amend the Specific Plan will occur simultaneous and in conjunction with the alternative transportation design work described above. Staff has worked with developers and property owners to finalize anticipated land uses with the intent of looking for opportunities to keep future traffic demand within alternative design constraints, while encouraging those land uses that will meet the City goal of leveraging place-making in the commercial areas for long-term economic development. The City Council's recent action to address traffic impact fees for drive through restaurants and fuel stations has helped this effort.

A funding plan for the alternative improvement design will be prepared that sets a schedule for each development to pay a pro-rated "fair share" towards the alternative improvements, or assigns responsibilities to construct portions thereof.

FISCAL IMPACT:

Abandoning the roundabout design for the Del Rio Road / US 101 Interchange and El Camino Real intersection in favor of Mitigation 2 improvements would result in substantial net savings. The cost of the roundabout improvements and the long time-frames associated with the construction of the roundabout improvements are a significant barrier to economic development in the area. It is anticipated that by moving forward with changing the assumed land-uses in the area to more closely match the current market, abandoning the current roundabout design, and implementing alternative mitigation, future development of the sites will be streamlined and more cost effective.

ALTERNATIVES:

One alternative to modifying the project is to continue with the current roundabout interchange design and get the project "shovel ready". Completing Phase 2 (PAED) and Phase 3 (PS&E) will make the project more favorable for regional and federal funding. However, it is estimated that an additional \$1.0 to \$1.5 million will be needed to bring the roundabout project to a "shovel ready" status, and a 50% matching local cost share will be likely for the estimated \$10 to \$12 million construction costs.

ATTACHMENTS:

- 1. Traffic Sensitivity Analysis Study
- 2. Preliminary Layouts for Alternative Improvements (Mitigation 2)
- 3. Preliminary Layouts for Phase 2 Alternative Improvements (Bridge Widening)



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March 3, 2020

Mr. Nick DeBar City of Atascadero Public Works Department 6500 Palma Avenue Atascadero, CA 93422

Traffic Analysis for the Del Rio Road Interchange - 2020 Update

Dear Mr. DeBar;

As requested, W-Trans has updated the analysis of the Del Rio Road interchange based on the most recent land use development proposals in the vicinity of the interchange. The highest intensity version of the most recent development scenario was combined with estimated cumulative traffic to estimate the potential need for mitigations under a future "worst case" scenario. The purpose of this letter is to describe the methodology and findings of this analysis.

Existing Conditions

The study area consists of Del Rio Road between El Camino Real and Ramona Road, including intersections with the US-101 Northbound Ramps and US-101 Southbound Ramps. The intersections of Del Rio Road/El Camino Real, Del Rio Road/US-101 Northbound Ramps, and Del Rio Road/US-101 Southbound Ramps are signalized, while the intersection of Del Rio Road/Ramona Road is stop-controlled on the Ramona Road approach and free-flowing on the Del Rio Road approaches. From Ramona Road to the US-101 Northbound Ramps, Del Rio Road is two lanes with no median or turn lanes. Between the US-101 Northbound Ramps and El Camino Real, Del Rio Road widens to include a median and an eastbound right-turn lane, for three lanes total.

Traffic counts were collected in March 2018. The average daily traffic at each intersection ranges from around 3,700 vehicles per day at Del Rio Road/Ramona Road to around 11,000 vehicles per day at Del Rio Road/El Camino Real, with the majority of vehicles traveling eastbound and westbound.

Future Conditions

Link volume data was collected from the SLOCOG travel demand model for the 2015 and 2035 model years. The link volumes were then combined with the 2018 traffic counts in a "Furness" process to generate future turning movement volumes. The Furness method is an iterative process that employs existing turn movement data, existing link volumes and future link volumes to project likely turning future movement volumes at intersections.

Traffic Analysis Zone (TAZ) data for each of the parcels surrounding the interchange was also collected from SLOCOG. The TAZ data includes estimates for housing and employment levels as they correspond to the travel demand model. Land uses that duplicated those proposed in this analysis were removed to avoid double counting of trips. For example, there are two existing houses contained within the same TAZ as the "Church Property." The future model assumes seven houses will exist in this TAZ for a net increase of five houses. This analysis assumes a net increase of 120 houses will be constructed on the Church Property; therefore, the five net new houses from the SLOCOG model were removed from the future volumes to avoid duplication.

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Sensitivity Analysis Land Use

To test the sensitivity of the Del Rio Road corridor, 15 land use scenarios were assessed. Land Use Scenario 8c (Buildout of Scenario 8) was selected as the most intensive likely scenario for further assessment. This scenario contains potential land uses for redevelopment of four vacant lots along the corridor:

- 1. Annex West: Lot on northwest quadrant of Del Rio Road/El Camino Real intersection;
- 2. Annex East: Lot on northeast quadrant of Del Rio Road/El Camino Real intersection;
- 3. Wal-Mart Site: Lot on southeast quadrant of Del Rio Road/El Camino Real intersection that was slated to be developed into a Wal-Mart store; and
- 4. Church Property: Lot north of Del Rio Road to the west of US-101.

Land Use Scenario 8c tests a variety of land uses on these four lots, including hotels, restaurants, business parks, apartments, houses, retail, and offices.

Vehicle Trip Generation

The anticipated vehicle trip generation for the proposed land uses was estimated based on standard rates published by the Institute of Transportation Engineers (ITE) in *Trip Generation Manual*, 10th Edition, 2017 for "Hotel" (ITE LU 310), "Gasoline/Service Station with Convenience Market" (ITE LU 945), "High-Turnover (Sit-Down) Restaurant" (ITE LU 932), "Shopping Center" (ITE LU 820), "Fast-Food Restaurant with Drive-Through Window" (ITE LU 934), "Business Park" (ITE LU 770), "Warehousing" (ITE LU 150), "Multifamily Housing (Low-Rise)" (ITE LU 220), "Single-Family Detached Housing" (ITE LU 210), "Winery" (ITE LU 970), and "Quality Restaurant" (ITE LU 931). Note that the "Winery" land use was selected as the closest ITE land use type for the proposed micro-brewery.

Internal Capture Trips

The *Trip Generation Manual* also includes data and methodologies that can be applied to determine the proportion of internal trips that may occur within a development area that includes a variety of land uses. Internal trips occur at mixed-use developments, and in the case of the Church Property and Wal-Mart Site would consist of residents and hotel guests patronizing adjacent restaurant and retail uses, as well as employees of nonresidential uses patronizing other nonresidential uses, such as employees of the business park eating at the restaurant. The majority of these trips would be made by walking, and the few that would be made by automobile would only travel on-site, so would not affect the adjacent street network.

Pass-by Trips

Some portion of traffic associated with the restaurant uses is drawn from existing traffic on nearby streets. These vehicle trips are not considered "new," but are instead comprised of drivers who are already driving on the adjacent street system and choose to make an interim stop and are referred to as "pass-by." The percentage of these pass-by trips was developed based on information provided in the *Trip Generation Manual*. This reference includes pass-by data collected at numerous locations for many land uses, such as the restaurant use applied in this traffic analysis. At the proposed project, pass-by trips would in essence be "captured" from traffic on Del Rio Road or El Camino Real.

Total Area Trip Generation

The expected trip generation potential for Land Use Scenario 8c is indicated in Table 1, with deductions taken for pass-by and internal capture. The proposed land uses are expected to generate 11,782 trips per day, including 627 trips during the a.m. peak hour and 813 during the p.m. peak hour. After deductions are considered, the development of the Del Rio Road Interchange area would be expected to generate 11,429 new trips on a daily basis, including 604 during the morning peak hour and 785 during the evening peak hour; these new trips represent the increase in traffic associated with the land uses compared to existing volumes.

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Table 1 – Trip Generat	ion Summ <u>a</u> r	y for Lar	nd Use Sc	enario 8	c						
Land Use	Units	Da	aily	А	M Peal	(Hou	•		PM Pea	k Hou	r
		Rate	Trips	Rate	Trips	ln	Out	Rate	Trips	ln	Out
Annex West											
Hotel	120 rooms	8.36	1,003	0.47	56	33	23	0.60	72	37	35
Gas Station	12 fs	205.36	2,464	12.50	150	77	73	14.00	168	86	82
Sit-Down Restaurant	2 ksf	112.18	224	9.94	20	11	9	9.77	20	12	8
Pass-by		-5%	-11	-5%	-1	-1	0	-5%	-1	-1	0
Retail	2 ksf	37.75	76	0.94	2	1	1	3.81	8	4	4
Fast-Food Restaurant	1.9 ksf	470.95	895	40.20	76	39	37	32.70	62	32	30
Pass-by		-10%	-90	-10%	-8	-4	-4	-10%	-6	-3	-3
Annex East											
Business Park	190 ksf	12.44	2,364	0.40	76	46	30	0.42	80	37	43
Wal-Mart Site											
Warehousing	30 ksf	1.74	52	0.17	5	4	1	0.19	6	2	4
Sit-Down Restaurant	2 ksf	112.18	224	9.94	20	11	9	9.77	20	12	8
Pass-by		-5%	-11	-5%	-1	-1	0	-5%	-1	-1	0
Mixed-Use Retail	15 ksf	37.75	566	0.94	14	9	5	3.81	57	27	30
Mixed-Use Residential	10 du	7.32	73	0.46	5	1	4	0.56	6	4	2
Business Park	30 ksf	12.44	373	0.40	12	7	5	0.42	13	6	7
Apartments	35 du	7.32	256	0.46	16	4	12	0.56	20	13	7
Internal Capture		-5%	-77	-5%	-4	-2	-2	-5%	-6	-3	-3
Church Site		/ / / / /	W.								
Houses	120 du	9.44	1,133	0.74	89	22	67	0.99	119	75	44
Hotel	120 rooms	8.36	1,003	0.47	56	33	23	0.60	72	37	35
Business Park	36 ksf	12.44	448	0.40	14	9	5	0.42	15	7	8
Retail Pad 1	3.5 ksf	37.75	132	0.94	3	2	1	3.81	13	6	7
Retail Pad 2	3.5 ksf	37.75	132	0.94	3	2	1	3.81	13	6	7
Micro-Brewery	5 ksf	45.96	230	2.07	10	7	3	7.31	37	19	18
Sit-Down Restaurant	2.5 ksf	83.84	210	0.73	2	1	1	7.80	20	13	7
Internal Capture		-5%	-164	-5%	-9	-4	-5	-5%	-14	-8	-6
Subtotal			11,782		627	318	309		813	431	382
Reductions			-353		-23	-12	-11		-28	-16	-12
Total			11,429		604	306	298		785	415	370

Note: du = dwelling unit; ksf = 1,000 square feet; fs = fuel stations

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Sensitivity Analysis

These total area vehicle trips estimated to be generated by these land uses were added to the future traffic volumes to determine how they would affect the study corridor, and the metrics of delay and queue length were used to assess operations. Delay is how much travel time is added on average to each driver traveling through an intersection by the presence of intersection itself, such as from stopping and waiting for a green light or for cross traffic to clear. Generally, Caltrans and the City of Atascadero maintain a delay threshold of 35 seconds or more per driver as unacceptable.

The reported queue length is the maximum combined length of vehicles that are stopped at the intersection for 95-percent of the peak hour signal cycles. The segment of the Del Rio Road overpass between the US-101 Southbound Ramps and US-101 Northbound Ramps is approximately 290 feet long, which means that a queue length greater than 290 feet would cause queuing to spill back into the upstream intersection and thus is considered unacceptable. The segment of Del Rio Road between the US-101 Northbound Ramps and El Camino Real is approximately 240 feet long, which means that a queue length greater than 240 feet would cause operational impacts and thus is considered unacceptable.

Queue lengths on the freeway offramps were also considered, as typically a queue extending past the offramp gore point and onto the freeway mainline is considered unacceptable. The northbound offramp has a length of 900 feet available between the stop bar at Del Rio Road and the gore point on US-101 North. For the southbound offramp, this distance is 960 feet.

Potential Interchange Improvements

As part of this analysis, two mitigation measures to avoid unacceptable traffic operations in the form of either delay or queuing were developed.

Mitigation 1 – This mitigation measure is to use the excess lane and median width on Del Rio Road between the US-101 Northbound Ramps and El Camino Real to add a westbound right-turn lane within the existing paved right-of-way. By splitting westbound traffic into through and right-turn lanes, the queue length can be reduced by giving drivers two lanes to queue instead of one. Additionally, splitting through traffic and right-turn traffic will allow turning drivers to bypass through drivers who are waiting for a green light, reducing delay and improving operations at Del Rio Road/US-101 Northbound Ramps.

Mitigation 2 – This mitigation measure would be, in addition to the above westbound right-turn lane, to update the signal timings to better serve the new traffic flows caused by the proposed development. For example, each land use scenario adds significant northbound left-turn traffic to Del Rio Road/El Camino Real. Without updating the timing of this signal to accommodate the added traffic, the drivers turning left would face major delays which would cause the intersection to operate unacceptably.

In addition to updating the signal timings, the second mitigation tested would involve several modifications to El Camino Real/Del Rio Road, including the addition of a southbound right-turn lane, replacement of the northbound protective left-turn phasing with protected-permissive operation, replacement of the southbound protective left-turn phasing with permissive phasing, and interconnection with the US-101 ramp intersections to enable cycle coordination between the three signals.

Operational Analysis

The Del Rio Road corridor conditions were assessed with anticipated future traffic volumes including trips generated by the Scenario 8c land uses. Additionally, the Future plus Scenario 8c volumes were assessed with the

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two potential interchange improvements detailed above. In the interest of expediency, only the higher-intensity p.m. peak hour was assessed as part of this analysis. The results in terms of delay are summarized in Table 2.

Tal	Table 2 – Future plus Land Use Scenario 8c Intersection Delay										
Stu	udy Intersection	PM Peak Delay									
	Approach	No Mitigation	Mitigation 1	Mitigation 2							
1.	Del Rio Rd/El Camino Real	119.0	119.0	19.3							
2.	Del Rio Rd/US-101 N Ramps	14.3	10.1	18.2							
3.	Del Rio Rd/US-101 S Ramps	21.9	22.1	27.3							
4.	Del Rio Rd/Ramona Rd	0.8	0.8	0.8							
	Northbound Approach	10.5	10.5	10.5							

Notes: Delay is measured in average seconds per vehicle; Results for minor approaches to two-way stop-controlled intersections are indicated in *italics*; **Bold** text = deficient operation; Mitigation 1 is to add the westbound right-turn lane to Del Rio Road/US-101 North Ramps; Mitigation 2 is to combine Mitigation 1 with signal retiming at all three signalized intersections, as well as modify the intersection of El Camino Real/Del Rio Road

With Future plus Land Use Scenario 8c traffic, the intersection of Del Rio Road/El Camino Real would operate unacceptably with either no mitigation or with only Mitigation 1. The addition of Mitigation 2 (which includes Mitigation 1) would decrease the delay to an acceptable level. The other three study intersections would operate acceptably with or without either mitigation.

In addition to delay, queue lengths were assessed using SimTraffic software to take an average of each of ten runs. Where there are multiple lanes on one approach, the lane with the greater queue length was used. These results are summarized in Table 3.

Table 3 – Future plus Land Use Scenario 8c Queue Lengths										
Study Intersection	Available	PM Peak Maximum Queue Length								
Mitigation	Storage	No Mitigation	Mitigation 1	Mitigation 2						
Del Rio Rd/El Camino Real										
Eastbound Approach	240	263	266	237						
Del Rio Rd/US-101 N Ramps										
Westbound Approach	240	222	114	105						
Eastbound Approach	290	366	270	215						
Northbound Approach	900	119	124	129						
Del Rio Rd/US-101 S Ramps										
Westbound Approach	290	214	241	287						
Southbound Approach	960	660	654	377						

Notes: Maximum Queue based on the average of the 95th-percentile queue value from ten SimTraffic runs; all distances are measured in feet; **Bold** text = deficient operation; Mitigation 1 is to add the westbound right-turn lane to Del Rio Road/US-101 North Ramps; Mitigation 2 is to combine Mitigation 1 with signal retiming at all three signalized intersections, as well as modify the intersection of El Camino Real/Del Rio Road

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The Future plus Land Use Scenario 8c traffic volumes would result in unacceptable queue lengths on the eastbound approaches to Del Rio Road/El Camino Real and Del Rio Road/US-101 North Ramps. The addition of Mitigation 1 would decrease the eastbound queue length at Del Rio Road/US-101 North Ramps to an acceptable level, although the eastbound queue length to Del Rio Road/El Camino Real would remain unacceptable. With Mitigation 2, all queue lengths would be within acceptable limits.

Conclusions

- This analysis focused on the proposed land uses of Land Use Scenario 8c, as applied to the anticipated future traffic volumes of the Del Rio Road interchange.
- Land Use Scenario 8c would be expected to generate 11,429 daily trips, including 604 a.m. trips and 785 p.m. trips.
- Under Future Conditions with the development of Scenario 8c, the intersection of Del Rio Road/El Camino Real would operate with unacceptably high delay and unacceptably long queue lengths for the eastbound approach. In addition, the eastbound approach to Del Rio Road/US-101 North Ramps would also have unacceptable queue lengths.
- Mitigation 1 would add a westbound right-turn lane to Del Rio Road/US-101 North Ramps, which would mitigate the unacceptable queue length for the eastbound approach but would not remediate either failing condition at Del Rio Road/El Camino Real.
- Mitigation 2 would add to Mitigation 1 by retiming all three signals, as well as installing several improvements
 to Del Rio Road/El Camino Real. These include adding a southbound right-turn lane and eliminating the
 protected left-turn phasing on El Camino Real in favor of protected-permissive phasing in the northbound
 left-turn direction and permissive phasing in the southbound left-turn direction. All of these mitigations
 combined would result in acceptable operations and queue lengths for all study intersections.

Thank you for giving W-Trans the opportunity to provide these services. Please call if you have any questions.

Sincerely,

Kevin Carstens, PE, MBA

Associate Engineer

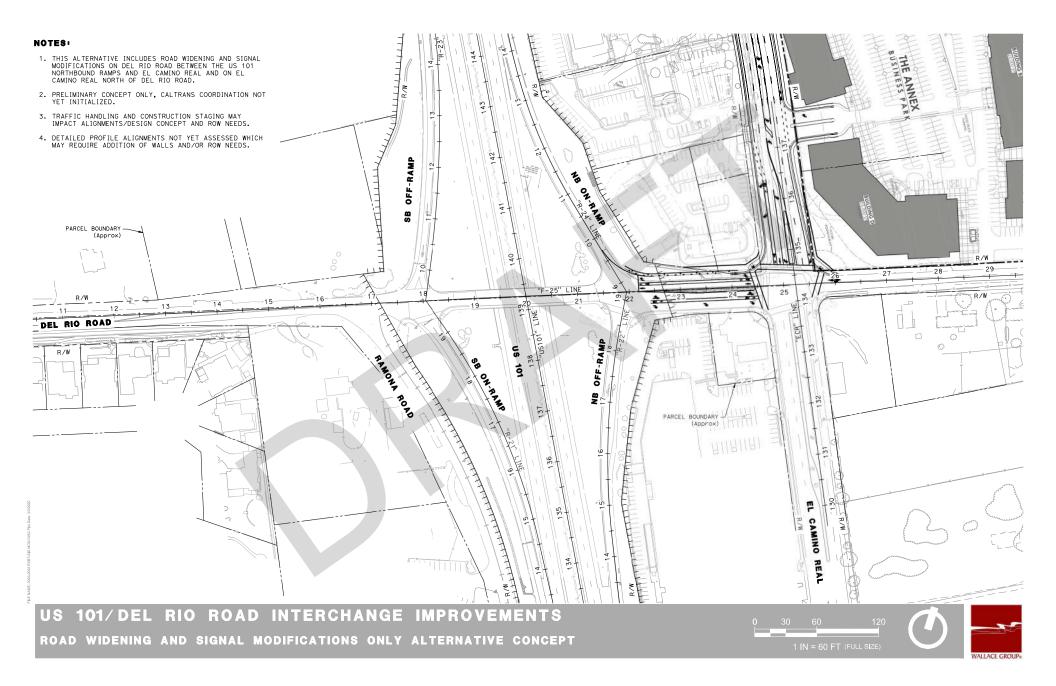
Stephen J. Weinberger, PE, PTOE

Senior Principal

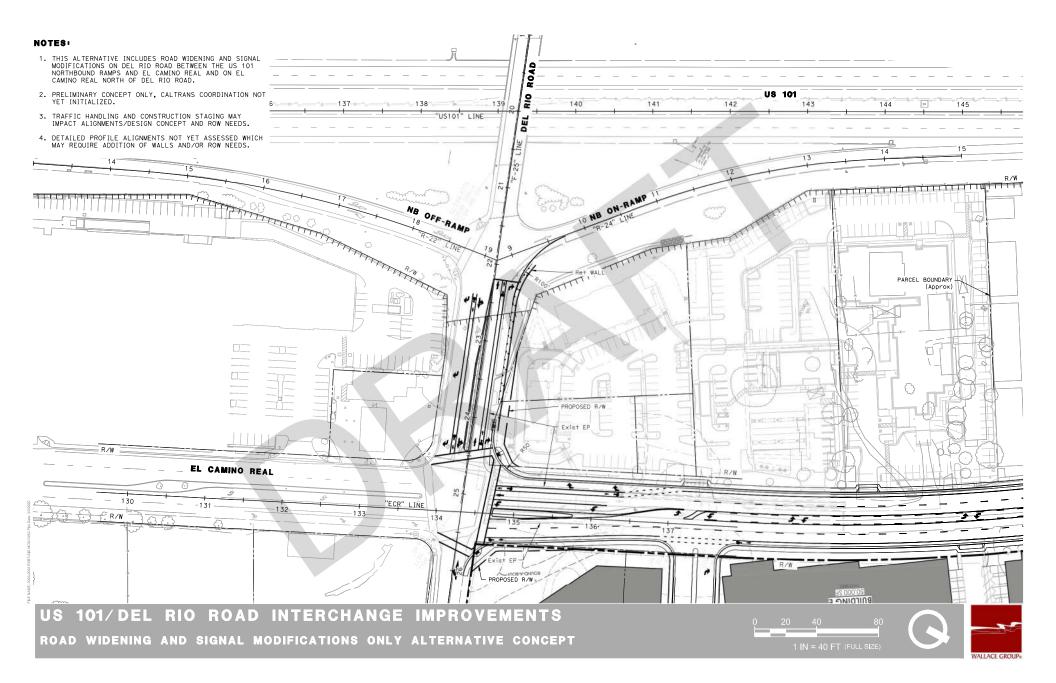
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Attachments – Intersection LOS calculations and queuing estimates

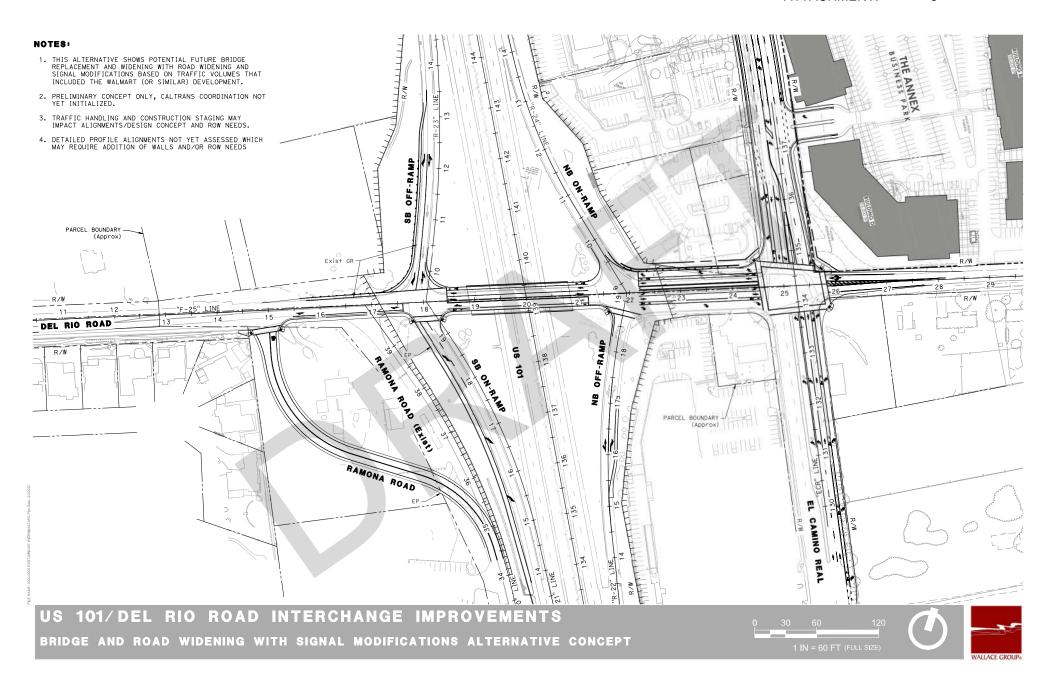
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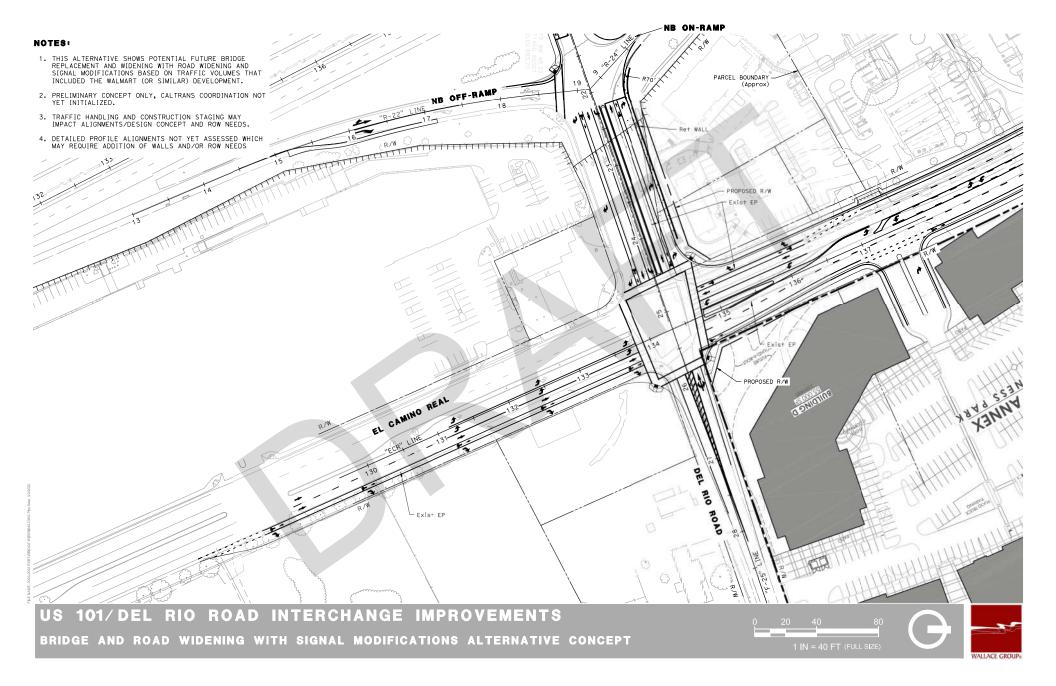
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Atascadero City Council

Staff Report - City Manager

SLO Countywide Regional Compact

RECOMMENDATION:

Council adopt Draft Resolution approving and authorizing the Mayor to sign the San Luis Obispo Countywide Regional Compact.

DISCUSSION:

Providing an adequate supply and range of housing choices affordable to residents and working families/individuals is a significant challenge in San Luis Obispo County, and requires the efforts of public agencies, private industries, residents and working individuals to overcome it.

Pursuant to State law, the State Department of Housing and Community Development (HCD) determines the region's future housing needs by affordability level and directs the San Luis Obispo Council of Governments (SLOCOG) to assign the required housing units to each of the seven Cities and the County's unincorporated areas. This is known as the Regional Housing Needs Allocation (RHNA) process. In December 2018, the SLOCOG Board accepted the State HCD's final determination that the San Luis Obispo County region must plan for 10,810 new housing units by 2028. Subsequently, in October 2019, the SLOCOG Board adopted the 2019 RHNA Plan, allocating the 10,810 new housing units across the eight local land use planning agencies, generally based on each jurisdiction's proportional share of the region's population and jobs. Table 1 below shows each agency's allocation and allocation within each State-defined income category¹. Each of the eight agencies is now required to identify adequate sites and plan for future housing needs as they update their Housing Element by December 31, 2020.

¹ "Very Low Income" is defined by Health and Safety Code Section 50105 as 50% or less of county median income; "Lower Income" is defined by Health and Safety Code Section 50079.5 as 80% or less of county median income; "Moderate Income" is defined by Health and Safety Code Section 50093 as 120% or less of county median income; and "Above Moderate Income" is defined as those exceeding the moderate income level of Health and Safety Code Section 50093.

Table 1: Regional Housing Needs Allocation for 2020 - 2028

Jurisdiction	Total Allocation	Very Low Income Allocation ² (24.6%)	Low Income Allocation ² (15.5%)	Moderate Income Allocation ² (18.0%)	Above Moderate Income Allocation ² (41.9%)
Arroyo Grande	692	170	107	124	291
Atascadero	843	207	131	151	354
Grover Beach	369	91	57	66	155
Morro Bay	391	97	60	70	164
Paso Robles	1,446	356	224	259	607
Pismo Beach	459	113	71	82	193
San Luis Obispo	3,354	825	520	603	1,406
Unincorporated	3,256	801	505	585	1,365
Regional Total	10,810	2,660	1,675	1,940	4,535

Meeting the current and future RHNA cycles will require our communities to plan for additional growth and prioritize investment in housing and infrastructure.

Meeting the housing needs of the San Luis Obispo County region is a challenge shared by all eight local land use jurisdictions and SLOCOG and will take collective actions to overcome. With this great challenge also comes an opportunity for regional collaboration.

The proposed San Luis Obispo Countywide Regional Compact (Exhibit A to Attachment 1) is an aspirational document. It sets the tone and goals for future recommended plans and actions among the local agencies. It establishes a united regional framework to unlock the potential to develop an adequate supply of housing and resilient infrastructure that support our economic prosperity. It recognizes that people, water, transportation, connectivity, and housing form the foundation of the San Luis Obispo County region's healthy, livable communities and thriving economic opportunity.

The region's local agencies, building and development community, residents and workforce have an opportunity to unite around six shared regional goals that provide a vision to guide collaborative resolution of the underlying issues.

- **Goal 1. Strengthen Community Quality of Life** We believe that our Region's quality of life depends on four cornerstones to foster a stable and healthy economy for all: resilient infrastructure and resources, adequate housing supply, business opportunities, and educational pathways.
- **Goal 2. Share Regional Prosperity** We believe that our Region should share the impacts and benefits of achieving enduring quality of life among all people, sectors and interests.
- **Goal 3. Create Balanced Communities** We believe that our Region should encourage new development that helps to improve the balance of jobs and housing throughout the Region, providing more opportunities to residents to live and work in the same community.

Goal 4. Value Agriculture & Natural Resources – We believe that our Region's unique agricultural resources, open space, and natural environments play a vital role in sustaining healthy local communities and a healthy economy, and therefore should be purposefully protected.

Goal 5. Support Equitable Opportunities – We believe that our Region should support policies, actions, and incentives that increase housing development of all types, available to people at all income levels.

Goal 6. Foster Accelerated Housing Production – We believe that our Region must achieve efficient planning and production of housing and focus on strategies that produce the greatest impact.

The Regional Compact is recommended for approval by the governing boards of all eight local agencies and SLOCOG. Signatories to the Regional Compact commit to acting as partners in aligning actions with these regional goals. The Regional Compact is an important first step that will help to protect and enhance the region's communities, build critical infrastructure, protect natural resources and create a forward-thinking future for the region. By taking collaborative actions to further these goals, our region can solve critical issues and become a statewide leader in sustaining vibrant communities. Additionally, given the State's pro-housing focus, the Regional Compact shows the San Luis Obispo County region's intent to work collaboratively to plan for our region's future and its growth. This may make the region more competitive for housing and infrastructure funding opportunities.

Overcoming the challenges highlighted in this staff report will require a significant focus on increasing regional collaboration related to affordable housing, economic prosperity and the critical infrastructure to support it. As part of this regional effort, staff and consultants preparing each jurisdictions' Housing Element update are also coordinating and developing the region's first "regional chapter" common to all eight local agencies' Housing Elements. The following are anticipated dates for all nine local and regional agencies to approve the Regional Compact, and pending approval by all, will culminate in a public signing event (tentatively set for April 3rd).

Proposed Regional Compact Signatories	Anticipated Date of Regional Compact	Status
_	Approval	
County of San Luis Obispo	February 25, 2020	Adopted
City of Grover Beach	March 2, 2020	Adopted
City of Paso Robles	March 3, 2020	Adopted
City of Pismo Beach	March 3, 2020	Adopted
City of Arroyo Grande	March 10, 2020	TBD
City of Atascadero	March 10, 2020	TBD
City of San Luis Obispo	March 17, 2020	TBD
City of Morro Bay	March 24, 2020	TBD
San Luis Obispo Council of Governments	April 1, 2020	TBD

In the months leading up to presentation of the Regional Compact, various stakeholders were engaged and informed including but not limited to: the Coalition of Housing Partners (including representation from the Central Coast Homebuilders Association, Economic Vitality Corporation, San Luis Obispo Chamber of Commerce, Housing Trust Fund, San Luis Obispo and Paso Robles Housing Authorities, People's Self Help Housing and Habitat for Humanity), REACH (previously known as Hourglass Project), Central Coast Home Builders Association, Economic Vitality Corporation's Building, Design and Construction Cluster, Healthy Communities Work Group and the Local Agency Formation Commission.

Approval of the recommended Draft Resolution and Regional Compact will provide an aspirational vision as staff of the nine local agencies develop various planning documents, strategies, and actions, aimed at achieving the six stated goals.

FISCAL IMPACT:

None. There is no direct fiscal impact to participating in the San Luis Obispo Countywide Regional Compact; however, it is anticipated that the compact will help the region be more competitive for various infrastructure and housing grants.

ATTACHMENT:

Draft Resolution

ITEM NUMBER: D-2
DATE: 03/10/20
ATTACHMENT: 1

DRAFT RESOLUTION

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ATASCADERO, CALIFORNIA, APPROVING AND AUTHORIZING THE MAYOR TO SIGN THE SAN LUIS OBISPO COUNTYWIDE REGIONAL COMPACT

WHEREAS, the San Luis Obispo County region is a rural coastal county with seven vibrant cities and numerous unincorporated communities that depend on collaborative relationships between and among government agencies, community organizations, and residents to solve significant regional issues; and

WHEREAS, California Government Code Section 65584 requires the San Luis Obispo County region's local land use agencies to plan for their Regional Housing Needs Allocation of 10,820 new housing units by 2028 and future allocations as determined by the California Department of Housing and Community Development; and

WHEREAS, the San Luis Obispo Countywide Regional Compact, attached hereto as Exhibit A and incorporated herein by this reference, and prepared by leaders from each of the region's local agencies, creates a united regional framework to unlock the potential to develop an adequate supply of housing and resilient infrastructure that support economic prosperity; and

WHEREAS, the regional goals set forth therein will help to protect and enhance our communities, build critical infrastructure, protect natural resources, and create a forward-thinking future for local communities in addition to underpinning the future Regional Infrastructure and Housing Plan, creating compatibility among the eight local land use agencies' Housing Elements, and driving future recommendations for collaborative actions; and

WHEREAS, the City of Atascadero is committed to improving the jobs housing balance throughout the region; and

WHEREAS, the City of Atascadero continues to make economic development and the creation of jobs a priority for the City; and

WHEREAS, over 500 new housing units were built in the City of Atascadero in the four year period of January 1, 2015 through December 31, 2018; over half of which were either affordable to moderate income families or lower income families; and

WHEREAS, the City of Atascadero will continue to be a leader in the region for the production of housing for all income levels.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Atascadero:

ITEM NUMBER: D-2
DATE: 03/10/20
ATTACHMENT: 1

SECTION 1. The San Luis Obispo Countywide Regional Compact, Exhibit A attached hereto and incorporated herein by this reference, is hereby approved.

SECTION 2. The Mayor is authorized to sign the San Luis Obispo Countywide Regional Compact.

PASSED AND ADOPTED at a day of, 2019.	regular meeting of the City Council held on the	e
	and seconded by Council Member in its entirety on the following roll call vote:	, the
AYES: NOES: ABSENT: ABSTAIN:	CITY OF ATASCADERO	
	Heather Moreno, Mayor	
ATTEST:		
Lara K. Christensen, City Clerk		
APPROVED AS TO FORM:		
Brian A. Pierik, City Attorney		

ITEM NUMBER: D-2 DATE: 03/10/20 ATTACHMENT: 1

Exhibit A

SAN LUIS OBISPO COUNTYWIDE REGIONAL COMPACT

A united regional framework to unlock our potential to develop an adequate supply of housing and resilient infrastructure that support our economic prosperity.

People, water, transportation, connectivity, and housing form the foundation of San Luis Obispo County Region's healthy, livable communities and thriving economic opportunity.

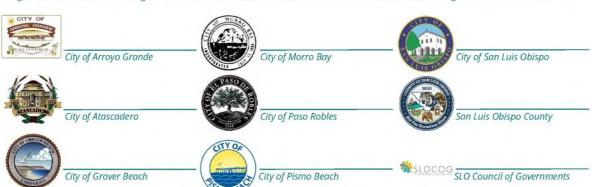
We are a rural coastal county with seven vibrant cities and numerous unincorporated communities that depend on collaborative relationships between and among government agencies, community organizations, and residents to solve our Region's significant issues, such as limited water supply, disconnects between communities, climate impacts, pressure on agriculture and open space resources, and inadequate access to affordable housing.

To identify actions our agencies can take to solve these issues, we agree to develop our first *Regional Infrastructure and Housing Strategic Action Plan*. This regional effort examines infrastructure and housing needs countywide and integrates efforts to address critical shortages. Our organizations are signing this compact as a first, necessary step toward creating opportunities for our local workforce and families, while preserving the appeal and vitality of our Region.

Our agencies collectively embrace the following six shared regional goals and support aligning resources and policies to make progress towards acting on them. These regional goals will underpin the future *Regional Infrastructure and Housing Strategic Action Plan*, create compatibility among the eight local agencies' *Housing Elements*, and drive future recommendations for collaborative actions.

Strengthen community quality of life	We believe that our Region's quality of life depends on four cornerstones to foster a stable and healthy economy for all: resilient infrastructure, services, and resources, adequate housing supply, business opportunities, and educational pathways.	
Share regional prosperity	We believe that our Region should share the impacts and benefits of achieving enduring quality of life among all people, sectors and interests.	
Create balanced communities	We believe that our Region should encourage new development that helps to improve the balance of jobs and housing throughout the Region, providing more opportunities for residents to live and work in the same community.	
Value agricultural & natural resources	We believe that our Region's unique agricultural resources, open space, and natural environments a vital role in sustaining healthy local communities and a healthy economy, and therefore should b purposefully protected.	
Support equitable & diverse opportunities	We believe that our Region should support policies, actions and incentives that increase the diver of housing available to people at all income levels.	
Foster accelerated housing production	strategies that produce the greatest impact	

We believe that these regional goals will help to protect and enhance our communities, build critical infrastructure, protect natural resources and create a forward-thinking future for all of our communities. We believe in the importance of taking responsibility for leading our Region towards a brighter future. By signing this compact on this ____ day of __________2020, we commit to act as partners by aligning actions with these regional goals. By taking collaborative actions to further these goals, we believe that our Region will solve critical issues and become a statewide leader in sustaining vibrant communities.





City of Atascadero Council 6500 Palma Ave Atascadero, CA 93422 Agenda Hem #D2 March 10, 2020 RECEIVED (FO)

MAR 09 2020

RE: San Luis Obispo Countywide Regional Compact

Dear Council Members of Atascadero.

CITY OF ATASCADERO CITY CLERK'S OFFICE

COALITION PARTNERS:

Bike SLO County
Cal Poly State University
Community Action Partnership of SLO County
First 5 San Luis Obispo County
Independent Living Resource Center, Inc.
Rideshare – Safe Routes to School
Smart Share Housing Solutions
SLO Council of Governments
SLO County Departments:
Air Pollution Control District
Board of Supervisors
Health Commission
Public Health
Environmental Health
SLO County YIMBY

RESOURCES:

Data Dashboard, SLO Health Counts

Healthy Communities Webpage

Community Health Improvement Plan

The Healthy Communities Work Group is a collaboration between public health officials, local planning and transportation officials, community-based organizations, academia, and community members, working to improve health through community design. We provide research and evidence-based recommendations from a health perspective on proposed land use projects, ordinance and general plan amendments, and special projects.

The Healthy Communities Work Group strongly supports the adoption of the San Luis Obispo Countywide Regional Compact.

Lack of housing availability and affordability negatively impacts physical and mental health (see attachment, "Health and Housing"). In light of the critical connection between health and housing, San Luis Obispo's Community Health Improvement Plan has identified this issue as a key priority, and set a community goal to "improve access to affordable, attainable, safe and supportive housing".

The Regional Compact provides a united regional framework to address housing and infrastructure challenges. The compact sets the tone and goals for future plans and actions among the local agencies. It recognizes that people, water, transportation, connectivity, and housing form the foundation of the region's healthy, livable communities and thriving economic opportunity. We agree that prioritizing investment in infrastructure and housing will be key to meeting the State's requirements.

The Healthy Communities Work group urges the City Council to adopt the Regional Compact in an effort to unite around common infrastructure and housing goals, and ultimately advance the wellbeing of all residents.

Sincerely, Chuck Stevenson

Chuck Stevenson, AICP
Chair, Healthy Communities Work Group

¹SLO County Community Health Improvement Plan, http://www.slohealthcounts.org/tiles/index/display?alias=CHIP

HEAL-SLO is a community coalition addressing complex and overlapping health challenges through integrated solutions. In carrying out that mission, a subcommittee called the Healthy Communities Work Group provides responses to Planning staff from a healthy community's perspective on proposed land development projects, ordinance and general plan amendments, and special projects.

Health & Housing: Building the Connection

Health and housing are directly connected. In San Luis Obispo County, housing affordability is a crisis that shapes home and neighborhood conditions and affects the overall ability of residents to make healthy choices

Neighborhood Conditions: A neighborhood's physical attributes can enhance health by facilitating walkability/bikeability and access to public transportation, parks, and fresh fruits and vegetables. Social and community attributes, such as segregation and the concentration of poverty, can negatively impact health.

- The accessibility, availability, and affordability of healthy food options increases likelihoods that residents will have a balanced, nutritious diet.
- Pedestrian and bike-friendly neighborhood design reduces car usage, supports transit ridership, and improves air quality.
- In addition to promoting individual health, social cohesion fosters community health by building community trust; therefore increasing neighborhood safety, reducing crime, and increasing pedestrian activity.
- In San Luis Obispo County, only 28.8% of adults walk regularly (150 minutes a week or more) [3].
- The California Office of Traffic Safety ranked San Luis Obispo County as the 6th worst county in the state for bicycle safety based on collision numbers [4].

Housing Affordability & Stability: Access to affordable housing enables families to spend more on food, health care, and medical insurance, which improves health outcomes. Housing stability encourages residents to develop roots and build community.

- Adults living in unaffordable housing are more likely to describe themselves as being in fair or poor health compared to similar individuals living in affordable housing.
- Unstable housing and crowding are linked to elevated stress levels, depression, an increase in behavioral and mental health issues, and an increased exposure to infectious disease.
- In San Luis Obispo County, 51.8% of renters spend 30% or more of household income on rent [1].

San Luis Obispo County ranked as the 6th least-affordable housing market in the nation in 2018.

National Association of Home Builders & Wells Fargo [2]

Conditions within the Home: Well-constructed and well-maintained housing can reduce health issues associated with poor-quality housing, including: physiological health (lead, radon, mold, extreme temperatures); psychological health (noise, inadequate light, security); and safety (falls, fires).

- Unaffordable housing forces some residents to accept unhealthy or unsafe housing conditions, causing negative health outcomes such as asthma, lead poisoning, burns and falls.
- Researchers have documented that the current housing stock is ill-equipped to accommodate the growing share
 of older and impaired adults, indicating an increasing need for home modifications that allow for maximum
 residential mobility as homeowners age.
- In San Luis Obispo County, 23.7% of residents face "severe housing problems", meaning one or more of the following: overcrowding, high housing costs, lack of kitchen, or lack of plumbing [5].

"Now, in light of the growing body of evidence about the many ways that housing can affect health, it is clear that strategies must be multifaceted — focusing on improving the physical quality of housing, on strengthening health-promoting social as well as physical conditions in neighborhoods, and on increasing access to affordable housing for all Americans."

-Robert Wood Johnson Foundation

The Healthy Communities Work Group presents the **5 P's framework** as a starting point for cities and communities in San Luis Obispo County to limit housing instability and improve the health of our residents:

- 1. Protection of existing residents by ensuring renters can remain in their homes instead of facing the health impacts of housing instability or displacement.
- 2. Preservation of existing housing at all affordability levels despite changing economic conditions. By rehabilitating aging or substandard housing, residents can remain active and engaged in the communities they call home.
- 3. Production of new housing units at a diversity of affordability levels. Local jurisdictions can make balanced housing production a priority through regulations and incentives for developers and by using public resources for housing development. By implementing creative solutions, such as repurposing underutilized properties, housing can be made available at a range of affordability levels.

- 4. Participation of residents and community leaders in decision-making processes that impact their housing stability. When residents are engaged and invested in the planning process, health outcomes improve.
- 5. Placement of housing near transit, jobs and amenities. Homes in SLO County must support residents' health in a comprehensive, holistic way by providing easy access to healthy food and physical activity opportunities and acting as a buffer from sources of pollution.

There are many solutions to our community's diverse housing challenges. By implementing a multifaceted approach, San Luis Obispo County can improve the wellbeing of residents through equitable access to healthy housing.

Citations:

- 1. American Community Survey. Data Collected 2012-2016. SLO Health Counts
- 2. National Association of Homebuilders & Wells Fargo Housing Opportunity Index.
- 3. California Health Interview Survey. Data Collected 2013-2014. SLO Health Counts.
- 4. Office of Traffic Safety Report (2015).
- 5. County Health Rankings. Data Collected 2010-2014. SLO Health Counts.

Resources

Healthy Communities Dashboard, SLO Health Counts

Where we live matters for our health: the links between housing and health. Robert Wood Johnson Foundation, Commission to Build a Healthier America. 2008

Housing and health: new opportunities for dialogue and action. National Center for Healthy Housing.

The Impacts of Affordable Housing on Health: A Research Summary. Center for Housing Policy. 2015



To learn more about the Healthy Communities Work Group visit www.HEALSLO.com or call 805-781-1560

Lara Christensen

From:

Kayla M Rutland < krutland@co.slo.ca.us>

Sent:

Monday, March 9, 2020 9:47 AM

To:

Lara Christensen

Subject:

Comment RE: D2 SLO Countywide Regional Compact

Attachments:

156B_Regional Compact support_Atascadero_FINAL.pdf

Dear Ms. Christensen,

The Healthy Communities Work Group would like to submit the attached letter of support for item D2 on the 3/10/20 City Council Agenda: SLO Countywide Regional Compact.

We request that our comment is distributed to Council Members ahead of tomorrow's meeting.

Thank you,

Kayla Rutland

Community Wellness Health Education Specialist

County of San Luis Obispo Health Agency | Public Health (805) 781-1560 | krutland@co.slo.ca.us slopublichealth.org

facebook | healslo.org

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MAR 09 2020

CITY OF ATASCADERO CITY CLERK'S OFFICE genda Hem#D2 arch 10, 2020



Ideas + Action for a Thriving Central Coast

March 8, 2020

Mayors and Councilmembers Cities of San Luis Obispo County

Subject: Letter of Support for San Luis Obispo Countywide Regional Compact

Dear San Luis Obispo County Mayors and Councilmembers:

It is our privilege to address your councils on an issue of significant importance to the future of our region. Formerly known as the Hourglass Project, our organization is called REACH – a Regional Economic Action Coalition. As an Economic Impact organization, we are uniting public, private and civic leaders across the Central Coast of California, from Vandenberg Air Force Base to Camp Roberts, encompassing 12 cities, 2 counties and about a half a million residents to ensure current and future generations have the opportunity to thrive on the Central Coast.

Housing and infrastructure are critical to the future of our region, because the talented members of our workforce and our private sector job creators depend on long-range, regional planning, prioritization and investment in infrastructure and housing. These are the foundations of our community and our economy.

In December 2018, the San Luis Obispo County Board of Supervisors approved a historic housing package that addressed a number of key policies that impact housing in our region. One of these items was the adoption of a county-led regional infrastructure and housing strategic planning effort. This effort was resourced by the board with a full-time equivalent position to focus solely on this countywide collaborative effort.

Over the past year, the administrative officer directed the actions of the principal analyst charged with working within the county, with cities and multiple partner organizations to set a vision for this bold and critically important effort. This effort has resulted in a framework and broad support among government and private sector stakeholders, alike.

The compact under your consideration is enthusiastically supported by the REACH Board of Directors, and key business leaders from San Luis Obispo County and Northern Santa Barbara County.

We urge your support for the compact. By signing this compact, your demonstrated leadership and commitment to working together will have a lasting impact on the long-term interests of our community. As this regional planning work progresses, we encourage the Cities and San Luis Obispo County to include North Santa Barbara County in this important effort, because jobs and housing are independent of our city/county boundaries. By broadening this countywide effort, together, we can take a necessary step in realizing our full potential to create a Central Coast where resident have an opportunity to thrive

If you have any questions, please contact me at 805-476-0412, or Andrew Hackleman at 805-391-4580.

Sincerely,

Melissa James President/CEO

(Neless Dames

REACH

REACH 872 Higuera Street San Luis Obispo, CA 93401

Lara Christensen

From:

Andrew Hackleman <andrew@hourglassproject.org>

Sent:

Sunday, March 8, 2020 9:43 PM

To:

Heather Moreno; Charles Bourbeau; Heather Newsom; Roberta Fonzi; Susan Funk

Cc:

Melissa James; Lara Christensen; Rachelle Rickard

Subject:

March 10 Council Meeting, Agenda Item D2: SLO Countywide Regional Compact

Attachments:

H&I Letter of Support.pdf

Dear Mayor and Councilmembers of Atascadero:

I hope this evening finds you well. In anticipation of the next council meeting on March 10, our organization wanted to ensure you received our letter of support for the SLO Countywide Regional Compact (attached).

Our board of directors, leaders from SLO County and Northern Santa Barbara County, urges you to consider and adopt the draft resolution (Agenda Item D2), approving and authorizing the Mayor to sign the compact.

Looking forward to seeing you on Tuesday night!

All the best,

Andrew

Join us for the REACH 2030 Summit on March 16.

Andrew S. Hackleman VP, Strategy Hourglass Project (m) 805.391.4580

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