

1/4/16:

Nancy Creel

I live at Town and Country for 55+ and older. I want to voice my opposition against the Opt-In Stay IN Business. I am senior, I'm 62, I took care of my parents for 20 years, I'm not able to pay any more than what I'm paying now. If things went up, I would have no idea where I'd move. I have no relatives. I hope things don't turn in that direction. It is very uncomfortable to know you could be uprooted or priced out of where you are living now.

 Reply all |   Delete Junk |  



## Fw: San Jose Mobile Home Opt-in for Business Proposal

NJ Nusbaum, Jenny

To: Marcus, Adam; 

  Reply all | 

Wed 12/9/2015 2:41 PM

Inbox

You replied on 12/9/2015 2:56 PM.

I can't remember if I already forwarded this.

Jenny Nusbaum  
City of San José, Dept. of PBCE  
Planning Division  
200 East Santa Clara Street, 3rd Floor Tower  
San José, CA 95113  
jenny.nusbaum@sanjoseca.gov  
408-535-7872

---

From: Jean Gadano   
Sent: Monday, December 7, 2015 11:15 AM  
To: Nusbaum, Jenny  
Subject: San Jose Mobile Home Opt-in for Business Proposal

Dear Ms. Nusbaum,

I'm writing to express concern over any changes to be made to my current living conditions. Like most seniors I'm on a very limited income, and I'm not in favor of any changes that could be a detriment to my current living conditions.

Thank you,  
Jean Gadano



**HOMETOWN AMERICA**  
**C O M M U N I T I E S**

November 25, 2015

Jacky Morales-Ferrand  
Director, Housing Department  
City of San Jose  
200 E. Santa Clara Street, 12<sup>th</sup> Floor  
San Jose, CA 95113

Dear Ms. Morales-Ferrand:

I am Stephen Braun, Co-President and Chief Operating Office of Hometown America. We have two communities in San Jose. Eastridge a 187 space community located at 1055 Quimby Road and Monterey Oaks a 334 space community located at 6130 Monterey Road. We have owned and operated both communities for over 11 years. We are a privately held company who intends on owning and operating these communities well into the foreseeable future.

Due to a scheduling conflict, it is unfortunate that I am are unable to personally join you at the "Opt In Stay In Business" MHP Owner Stakeholder meeting. However our local community managers will be there. That said, we are interested in learning more and seeing a specific written ordinance to evaluate. Please accept this letter as evidence of our interest in further exploring the "Opt In/Stay In Business" Ordinance. We're interested in staying in business and investing in our communities for an extended period of time provided there are reasoned economic incentives to do so. If an Opt In/Stay In Business Ordinance is created and adopted by the city council that incorporates reasoned economic incentives for our voluntary, contractual commitment to stay in business for a set period of time, we would certainly seriously consider opting in.

Regards,

Hometown Monterey Oaks and Hometown Eastridge  
Stephen Braun, Chief Operating Officer  
Hometown America  
[REDACTED]

11/30/2015

Dear Ms. Nusbaum and Mr. Marcus:

My name is Peter Wang and I am the general partner representing a partnership owning several mobile home parks in the City of San Jose. I appreciate the city's approach to addressing the problems associated with the land use of mobile home parks. I am interested to appraise the "Opt In/Stay In Business" Ordinance for most of our properties but with one exception:

The mobile home park I would leave out "Opt In/Stay In Business" is called Mobile Home Manor at 1300 E. San Antonio Road. This park is located in a residential area close to E. Santa Clara Street and 101 Freeway. I see the potential of developing this site for Low Income Housing in the future.

Right next door to this park, a three-story apartment was built several years ago that became low-income housing for many San Jose residents. It is a clean and well-appointed housing community for many people.

Our mobile home park, however, was built in 1950 with 81 spaces. To call it a trailer park is much more appropriate because all we have there are old travel trailers and a few mobile homes that are more than thirty years old. Regardless of how much capital improvements, you will agree that redevelopment will be a better option. Instead of protecting this dated housing for our tenants and other eligible residents, it will serve our community well if we build something like next door.

Many mobile home parks probably are worthwhile to keep for the mobile home owners. If you happen to look at the Mobile Home Manor, however, you will agree with my assessment above.

I write to express my intent to work with the City to find a compelling housing solution for our community. While the Opt in/Stay in Business is a workable option for some, it has its limits and circumstances will change over time.

Regards,

  
Peter Wang





December 2, 2015

Dear Ms. Morales-Ferrand:

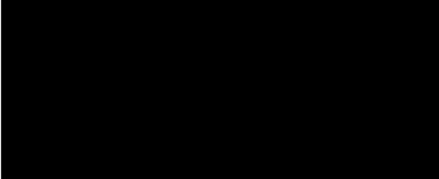
Thank you for extending an invitation to the "Opt-In/ Stay In Business" MHP Owner Stakeholder Meeting. Due to a scheduling conflict it is unfortunate that we are unable to join you. However, on behalf of Summerset Mobile Estates consisting of 112 spaces, please accept this letter as our interest in further exploring the Opt-In/ Stay In Business ordinance. We are interested in staying in business and investing in our community for the foreseeable future provided there are reasonable economic incentives to do so. If an Opt-In/ Stay In Business Ordinance is created and adopted by the city council that incorporates reasonable economic incentives for our voluntary contractual commitment to stay in business for a set period of time, we would certainly consider opting in.

Regards,

A handwritten signature in cursive script, appearing to read "Gregory R. O'Hagan".

Gregory R. O'Hagan

A solid black rectangular redaction bar located below the name.



December 1, 2015

To Whom It May Concern,

Thank you for the opportunity to weigh in on the, "Opt-In, Stay in Business" concept that is being considered. I hope that our input will prove valuable to this process.

Our property, San Jose Trailer Park, is a family park consisting of 105 total units. My grandparents, Orris and Gennora Mobraaten purchased our Park in 1973. For three generations we have owned and operated San Jose Trailer Park to the best of our ability. For more than 40 years we have consistently maintained a safe and affordable community for the residents that call it home. We treat our tenants fairly and with respect. The neighborhood has changed over the years, and is now a little rougher than it once was. Never-the-less we screen our tenants carefully, and we do all that we can to keep drug and gang problems out. We keep the streets clean and the buildings and fences freshly painted and free of graffiti. Residents have called our park a "safe haven" in our neighborhood. Please be patient, all of our self-congratulating is going somewhere.

Today we are faced with real problems. Our park was established in 1957, and most of our infrastructure systems are near the end of their useful lives. Our electric system is 30Amp, and utilizes archaic screw-in fuse technology. We have to be on the lookout for residents who attempt to tamper with our fuse boxes by placing a penny behind the fuse. This practice will bypass the fuse... meaning residents can use their microwaves, hairdryers, toasters and electric heaters all at same time without risk of blowing a fuse. Unfortunately, this also poses a fire hazard to themselves and the community at large. We do not make money on electricity. Most years we end up spending money out of pocket to purchase meters, maintain, and repair our system; yet we also assume the risk and liability of a utility company while PG&E reaps the profits. How this makes sense is a mystery to us. Our water and sewer systems are also in a constant state of upkeep and repair. In the 1990s my mother, Terrie Hansen, spent \$300,000 to replace our gas system and re-pave our roads. These upgrades improved the safety and aesthetics of our property for our residents, but unfortunately netted a 0% return on investment.

In addition, many of our rents are well below market value due to the City of San Jose Rent Control Ordinance. We estimate that our property is grossing about \$12,000 per month less than it would if our rents were brought to market value. We will leave the math to you as to how much revenue our family has lost over the years. Perhaps those funds could have served as an infrastructure fund? Still, we claim to be reasonable people and we understand the need to protect low income families, those with disabilities, senior citizens, etc. Some of our tenants



have known our family for three generations, and for those old-timers who have been with us for so long we are glad that they have been able to comfortably age in their homes on a fixed income. There are, however, glaring flaws in the Mobilehome Rent Ordinance. For example, one of our senior citizens, who shall remain anonymous, passed away in 2009. In the 36 years we had known her, nobody in our family could ever remember her to have family that she spoke of or visited with. A couple of days after she passed her son and daughter-in-law showed up wanting to sell, "their trailer". The rent was about \$250 per month below market value. They sold a 1960s model Spartan trailer that had a market value of \$1,500 for \$35,000 to a family whom they had never met before. As per the law, we received no rent increase and no compensation for the sale of the trailer, even though its value was clearly inflated due to its position on our land. To us, it this does not seem reasonable... yet this scenario has played out over and over again in all the mobile home parks throughout San Jose. We cannot think of another business or industry which restricts the proceeds of the proprietor while simultaneously allowing customers or outside parties to sell goods on the proprietor's property at elevated rates. Can you?

We have been in business in San Jose for a long time, but now we are faced with some tough choices. We would like to stay in business. We value our tenants and respect our role as landlords. We would love to upgrade everything... electric, water, sewer, storm drains, roads etc. We estimate the cost to be a shade over one million dollars for these upgrades. Let's say, for example, that we just found that million dollars. Under the current circumstances as described above, what is the incentive? All of those upgrades will net a 0% return to the property owner. Most rational people would opt for another investment that yields a solid return. Virtually all other commercial real estate owners are afforded the opportunity to convert their properties to a higher and better use when their systems and buildings deteriorate. In many cases in San Jose the land is worth more than the improvement upon it.

We hope that our comments have been useful, and that the City of San Jose will establish a new scenario which will entice MH Park owners to "Opt-In". Please do not hesitate to contact me at the phone number below with any questions.

Thank you,



Grover Phillips





December 3, 2015

Jacky Morales-Ferrand  
Director, Housing Department  
City of San Jose  
200 E. Santa Clara Street, 12<sup>th</sup> Floor  
San Jose, CA 95113

Dear Ms. Morales-Ferrand:

Due to a scheduling conflict, we are unable to join you at the "Opt-In- Stay-In Business" ordinance MHP Owner Stakeholder meeting on December 3, 2015. However, we are interested in learning more.

On behalf of General Trailer Sales Corporation, dba Town & County Mobile Village, consisting of 192 spaces, please accept this letter as our interest in further exploring the "Opt-In-Stay In Business" Ordinance. We are interested in staying in the mobile home park business and investing in our community for the foreseeable future provided there are reasoned economic incentives to do so.

If an Opt-In-Stay-In Business Ordinance is created and adopted by the city council that incorporates reasoned economic incentives and allows our voluntary contractual commitment to stay in the mobile home park business for a set period of time, we would certainly consider opting in.

Sincerely,

Richard F. Luker





November 25, 2015

Jacky Morales-Ferrand  
Director, Housing Department  
City of San Jose  
200 E. Santa Clara Street, 12<sup>th</sup> Floor  
San Jose, CA 95113

Dear Ms. Morales-Ferrand:

I am Stephen Braun, Co-President and Chief Operating Office of Hometown America. We have two communities in San Jose. Eastridge a 187 space community located at 1055 Quimby Road and Monterey Oaks a 334 space community located at 6130 Monterey Road. We have owned and operated both communities for over 11 years. We are a privately held company who intends on owning and operating these communities well into the foreseeable future.

Due to a scheduling conflict, it is unfortunate that I am are unable to personally join you at the "Opt In Stay In Business" MHP Owner Stakeholder meeting. However our local community managers will be there. That said, we are interested in learning more and seeing a specific written ordinance to evaluate. Please accept this letter as evidence of our interest in further exploring the "Opt In/Stay In Business" Ordinance. We're interested in staying in business and investing in our communities for an extended period of time provided there are reasoned economic incentives to do so. If an Opt In/Stay In Business Ordinance is created and adopted by the city council that incorporates reasoned economic incentives for our voluntary, contractual commitment to stay in business for a set period of time, we would certainly seriously consider opting in.

Regards,

Hometown Monterey Oaks and Hometown Eastridge  
Stephen Braun, Chief Operating Officer





November 25, 2015

Jacky Morales-Ferrand  
Director, Housing Department  
City of San Jose  
200 E. Santa Clara Street, 12th Floor  
San Jose, CA 95113

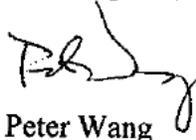
Re: Opt In Stay In Business MHP Owner Stakeholder Meeting

Dear Ms. Morales-Ferrand:

I am the representative of the owners and operators of the following four (4) mobilehome parks located in San Jose, California: Colonial Mobile Manor located at 3300 Narvaez Avenue which consists of 207 spaces, Foothills Mobile Lodge located at 655 S. 34<sup>th</sup> Street which consists of 102 spaces, Mayfair Trailer Park located at 1840 South 7<sup>th</sup> Street which consists of 54 spaces, and Mobilehome Manor located at 1300 E. San Antonio Street which consists of 81 spaces.

I am unable to personally join you at the "Opt In Stay In Business" MHP Owner Stakeholder meeting. Please accept this letter as evidence of ownership's interest in further exploring an "Opt In/Stay In Business" Ordinance. We are interested in staying in business and investing in our community(ies) for an extended period of time provided there are reasonable economic incentives to do so. If an Opt In/Stay In Business Ordinance is created and adopted by the city council that incorporates reasonable economic incentives for our voluntary, contractual commitment to stay in business for a set period of time, we would certainly seriously consider opting in. Of course, we would agree to participate and opt in.

Best Regards,



Peter Wang



December 3, 2015

Ms. Jacky Morales-Ferrand  
Director, Housing Department  
City of San Jose  
200 E. Santa Clara Street, 12<sup>th</sup> Floor  
San Jose, CA 95113

Dear Ms. Morales-Ferrand:

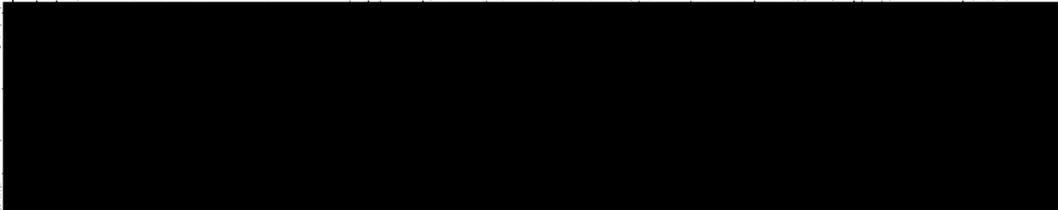


The Nicholson Family Partnership (“TNFP”) is the owner of the underlying property which is land leased for Westwinds Mobile Home Park on North First Street. As the City of San Jose (“City”) studies the issues and ramifications of Mobile Home Park (“MHP”) rent control, closure and conversion, hopefully from the viewpoints of the owners and operators as well as the tenants, we think the concept of the “Opt In Stay In Business” Ordinance is a piece of the complex puzzle that deserves further study and consideration. If the City is trying to keep MHPs in place as the infrastructures are aging, there needs to be some economic incentives to ensure the MHPs can endure as an attractive asset to the City.

If an Opt In Stay In Business Ordinance is adopted that solves some of the existing structural economic problems, once our land lease restrictions have terminated, TNFP would certainly consider opting in. If you have any questions or wish to consult with TNFP, please feel free to contact our representative, Sean Morley with The Morley Bros. at 408-458-4440.

Very Truly Yours,  
THE NICHOLSON FAMILY PARTNERSHIP

A blue ink signature of Bruce Nicholson, consisting of a large, stylized initial 'B' followed by a cursive name and a horizontal line extending to the right.  
Bruce Nicholson



Jacky Morales-Ferrand  
Director, Housing Department  
City of San Jose  
200 E. Santa Clara Street, 12<sup>th</sup> Floor  
San Jose, CA 95113

Dear Ms. Morales-Ferrand:

Due to a scheduling conflict, it is unfortunate that we are unable to personally join you at the "Opt In Stay In Business" MHP Owner Stakeholder meeting. That said, we are interested in learning more and seeing a specific written ordinance to evaluate. Please accept this letter as evidence of our interest in further exploring the "Opt In/Stay In Business" Ordinance. We're interested in staying in business and investing in our community(ies) for an extended period of time provided there are reasoned economic incentives to do so. If an Opt In/Stay In Business Ordinance is created and adopted by the city council that incorporates reasoned economic incentives for our voluntary, contractual commitment to stay in business for a set period of time, we would certainly seriously consider opting in.

Regards,



Art Chatoff





November 25, 2015

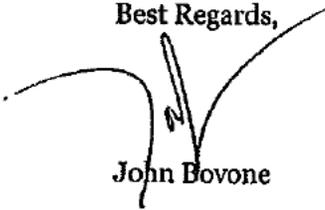
Jacky Morales-Ferrand  
Director, Housing Department  
City of San Jose  
200 E. Santa Clara Street, 12th Floor  
San Jose, CA 95113

Re: Opt In Stay In Business MHP Owner Stakeholder Meeting

Dear Ms. Morales-Ferrand:

My name is John Bovone and I am the partner of the business entity that owns and operates Ace Trailer Inn located at 2800 Monterey Road, San Jose, California. There are fifty seven (57) spaces in the mobilehome park. Due to a scheduling conflict, I am unable to join you at the "Opt In Stay In Business" MHP Owner Stakeholder meeting. That said, we are interested in learning more and seeing a specific written ordinance to evaluate. Please accept this letter as evidence of our interest in further exploring the "Opt In/Stay In Business" Ordinance. We are interested in staying in business and investing in our community(ies) for an extended period of time provided there are reasoned economic incentives to do so. If an Opt In/Stay In Business Ordinance is created and adopted by the city council that incorporates reasoned economic incentives for our voluntary, contractual commitment to stay in business for a set period of time, we would certainly seriously consider opting in.

Best Regards,



John Bovone

12-7-15:

Eugene Bundy

Concerned that the value of his home would go down. That hurts the renter no matter what. Mill ponds problem, he wanted to get my place so badly. I have maintenance problems already. I spent a lot on a retaining wall, it was crazy and they won't help me do anything.

# FW: San José Mobilehome "Opt-in/Stay in Business" Additional Meetings

Haase, Maria

Mon 12/7/2015 11:58 AM

Inbox

To: Marcus, Adam <adam.marcus@sanjoseca.gov>; Morales-Ferrand, Jacky <Jacky.Morales-Ferrand@sanjoseca.gov>;

FYI

Maria Haase

Assistant to the Director / Analyst II

City of San José Department of Housing

maria.haase@sanjoseca.gov | www.sjhousing.org

408.975.4413

Our mission is to strengthen and revitalize our community through housing and neighborhood investment.

Find us on Twitter!

-----Original Message-----

From: Brian & Jill Borders [REDACTED]

Sent: Monday, December 07, 2015 11:52 AM

To: Haase, Maria <maria.haase@sanjoseca.gov>

Cc: Freitas, Harry <Harry.Freitas@sanjoseca.gov>; Morales-Ferrand, Jacky <Jacky.Morales-Ferrand@sanjoseca.gov>

Subject: Re: San José Mobilehome "Opt-in/Stay in Business" Additional Meetings

Dear housing department,

Thank you for adding these extra meetings. I am currently ill and knew I would be unable to attend tonight's meeting. I am hopeful that I will be up to attending the meetings that have been added in January. This helps a lot to have the added dates.

Thank you again for all you do to help those in San Jose with their housing needs. I just read about the emergency shelters that may be opened for the homeless. Thank goodness for your good work and kindness. We in the mobile home communities are terrified to lose our homes, but we also know how lucky we are to have a roof over our heads. My family was homeless after being displaced by a landlord that wanted to redevelop his property. It was one of the worst experiences of our family's life. So, we put every dime we had into buying a mobile home so we wouldn't be displaced again and we would be able to create stability for our daughter

12/7/2015

FW: San José Mobilehome "Opt-in/Stay in Business" Additional... - Marcus, Adam

while we raise her. Now, it turns out, we basically bought into a trap. We cannot be displaced again. It was life-threatening the last time. I am certain I cannot handle another displacement. I already had to seek professional mental health services over not having a place to call home. It can seriously mess you up to not have a home. To be faced with this exact scenario again has me wondering what in the world I did wrong to deserve to be treated in such an inhumane manner, not once, but twice by the lords over the land. Where is their humanity? Why must they insist on torturing the very people that have created wealth for them over many years? It boggles my mind.

This is an incredibly difficult time to be a resident of San Jose and I am grateful for all the housing department is trying to do to help those in need. You must have the hardest job at City Hall. Seriously, trying to keep a roof over our heads and have a stable home is all we talk about here all day long and you are the ones always trying to help us. Thank you. I know it must be hard during a time when the city needs money and owners want money. The combo pretty much means we'll be out of a home again. But hopefully, with your efforts and the constant prayers being said by the people in all the mobile home parks, the owners will find a way to want to stay in the business of creating neighborhoods where people thrive and have the chance to stay stable.

Thank you so much,

Jill Borders

-----  
On Mon, 12/7/15, Jacky Morales-Ferrand, Director of Housing <maria.haase@sanjoseca.gov> wrote:

Subject: San José Mobilehome "Opt-in/Stay in Business" Additional Meetings

[REDACTED]  
Date: Monday, December 7, 2015, 11:09 AM

December 7, 2015

12/7/2015

FW: San José Mobilehome "Opt-in/Stay in Business" Additional... - Marcus, Adam

200 East Santa Clara Street, San José  
Validated parking available (Park under City Hall)  
"Opt-in/Stay in Business" Meeting for Mobilehome Park Residents(Add)  
Tuesday, January 5, 2016  
2:00 - 4:00 PM  
San José City Hall - Wing  
Room 118-119  
200 East Santa Clara Street, San José  
Validated parking available (Park under City Hall)

The input at these meetings will help City staff develop recommendations for the City Council. Staff will present the Opt-In Concept to the City Council for direction and next steps in February 2016. If you would like to submit your comments in writing or have questions, please contact Adam Marcus, Department of Housing, at adam.marcus@sanjoseca.gov or 408.975.4451. If you require translation services for a focus group meeting, please contact Adam Marcus at least three business days before the meeting.

Please check [www.sanjoseca.gov/mobilehomes](http://www.sanjoseca.gov/mobilehomes) for meeting notes, updates, and announcements.

Sincerely,

Jacky Morales-Ferrand  
Director, Housing Department

# Last Night's Opt-In/Stay In Business Mtg

R<sup>Y</sup> Read Yeadon [REDACTED]

To: Marcus, Adam; [REDACTED]

  Reply all | 

Tue 12/8/2015 12:02 PM

Inbox

 Reply all |   Delete Junk |  



Praises to you and Jacky for holding it together last night. After the mtg and further thought, my answers to your discussion questions are:

1. The "Opt-In" concept is a can of worms that isn't worth further exploration (in spite of voting to the contrary last night), until the potential for amending the zoning code to effectively say "once zoned a mhp - always a mhp" is shown to be impossible. As soon as a 20-year (or whatever) commitment starts running, my place is DEFINITELY going to be worth less money when there are 10 years remaining and so on. That being said I must admit that I live in Mountain Shadows, a Brandenburg run park, that purportedly sits on land that they have leased until 2033, sooo, I may be in trouble already.
2. Yes, 2/3rds.
3. The longer the better but of course the owners will want more concessions the longer their commitment.
4. 3% of base rent (which means we'll see a 6% increase every year because of rent control).
5. Any thing that 2/3rds of the residents approve but there would need to be a clear distinction between "improvements" and "repairs".
6. No mh owner in their right mind is going to be in favor of vacancy decontrol. My home sitting on another lot with space rent that is \$100 per month higher will be worth less in order to compensate.

7. I am not in favor of any public assistance - I favor private assistance.

regards,

Read Yeadon

[Redacted signature block]

 Reply all |   Delete Junk |  



## OPT-IN

WG Warren Gannon 

To: Marcus, Adam; Cc: Morales-Ferrand, Jacky; Nusbaum, Jenny; ... 

  Reply all | 

Tue 12/8/2015 12:42 PM

Inbox

You replied on 12/8/2015 4:15 PM.

Thank you for the presentation last night at the City Library. I was impressed with your and Jackie's patience in dealing with some of the questions/comments and observations.

As Chairman of the Senior Citizens Commission I would like to provide you with the following comments:

We estimate there are approximately 7,000 senior citizens living in mobile home parks throughout the city. This is 20% of the generally agreed upon total of 35,000 residents in Mobile home Parks.

According to the Santa Clara County's 2012-2016 Area Agency on Aging report nearly half of individuals age 65+ are economically insecure and living in poverty or barely staying off poverty as measured by the Elder Economic Security Index. By 2030, this figure will increase dramatically, consistent with the rapid growth in the aging demographic.

In view of this set of circumstances I feel compelled to make the following remarks in respect to the concept of OPT-IN that is being suggested by Mobile Home Park owners:

1. The proposal is basically an attempt to destroy mobile home rent control over time. As homes change hands due to attrition, circumstances, etc. the "market rate" imposed will ultimately eliminate rent control.

This may take 10 years, or 20 years but the result will be a loss of affordable housing for seniors in mobile home parks that are currently the last bastion of affordable housing in the city. This flies in the face

of the current city council's intent to provide as much affordable housing as possible throughout San Jose. The aging population will be denied the opportunity to live in suitable surroundings with the

assurance they can afford to live out their lives in confidence and self respect.

2. The value of the mobile home, currently enjoyed by a resident, will be negatively impacted by imposition of vacancy decontrol. The in-coming owner will recognize the increased rent to be required by the MHP owner and will discount the asking price of the current residents home. It will be an inevitable result.
3. The Mobile Home Park owners have taken the position that they are willing to "trade" 20 years of status quo for the ability to provide for vacancy decontrol and the pass through of "capital" improvements.  
The concept, as currently described, does not consider whether such capital improvements should be considered in relation to the profitability of each individual mobile home park. It is our observation the mobile home park owners are reluctant to "open their books" to justify additional compensation from the residents.
4. This brings us to the question of the profitability of mobile home parks in San Jose and whether the cry of "need" is justified. According to a variety of sources, Mobile Home Park ownership is an excellent business and extremely profitable. Witness the fact that few, if any, mobile home parks have turned over in ownership over the last 40 years. Remember that most of the mobile home parks in the city were developed in the 1960's and 1970's. With at least a 3% increase in rents every year over those 40 years (and in some years up to 7%) the mobile home land rent that was at \$250 a month in 1975, rose to \$500 a month by 2000, and \$750 a month by 2015 (3% compounded for 40 years). That number will increase to \$1000 a month by the year 2024. Of course, the increase is due to the joys of compound interest over a long period of time.

It would be interesting to see if the mobile home park owners who are anxious to move forward with the opt-in proposal would be willing to open their books and exhibit the profitability of their operation.

My educated guess is the margins in Mobile home Park ownership is close to a 30-40% net return, after all expenses, based upon gross revenues.

Therefore, in answer to the very first question you put forward last night "Is this a good idea" brings a resounding NO. The loss of affordable housing, the negative impact on mobile home values, the continuing need

for the senior community (and , in reality, all mobile home owners) to rely on affordable housing albeit increasing at least 3% each year, brings me to this conclusion.

Again, my thanks for providing a venue for the discussion of the opt-in concept. The willingness on your part to listen to all of the residents at these meetings is refreshing and important in our democratic society.

Warren Gannon, Chair,  
Senior Citizens Commission, City of San Jose

Reply all | ▾ Delete Junk | ▾ ●●●



## Opt In proposal

JJ Judy J Smith &lt;garyslighthouse@sbcglobal.net&gt;

To: Marcus, Adam; Nusbaum, Jenny; Ramos, Theresa; Haase, Maria;  Diana Castillo <dianac@lawfounda... ▾

Reply all | ▾

Tue 12/8/2015 3:00 PM

Inbox

You replied on 12/8/2015 3:59 PM.



Action Items



Adam,

I attended last night's meeting with seven others from our park (Millpond) and we are firmly against this proposal. We feel there is not enough information from the owners to make a balanced decision on the provisions of their proposal. We do not like the vacancy decontrol as it would impact the values of our homes...UNLESS there is a specific percent of increase that would not scare a prospective buyer from purchasing our home.

The 20 year term proposed would probably cover my own case as I am 75....but what about someone 55?

What do the owners consider Capital Improvements? In the last several years some park owners tried to pass through expenses that were actually normal maintenance costs that should have been taken care of as needed. Poor money management is their fault not the residents. If they spent the override money for PG&E, for instance, that should have been held in reserve for upgrades, that is their burden.

Are owners willing to present improvement proposals to the residents first to see if the residents feel they are needed and make sense? How can we determine what caps need to be applied without knowing the size and cost of the project?

My personal feeling is that at least 80% of residents need to approve projected improvements.

Improvement Assistance should be required but how do you determine who would qualify and at what level of income?

There would be a very wide range of ability to pay these costs...some people are barely hanging on as is just coping with the annual rent increases.

We realize there are responsible owners but we feel they get a fair return on their investments. We have to spend our income

in a prudent manner to meet our obligations and we do not get any return on our investment whereas the owners get their annual 3% increase. I would love to get 3% annually on my Social Security!  
I hope I have stated the above in a clear manner.

Gary Smith  
Millpond Mobile Home Community  
President of Millpond / GSMOL Chapter

P.S. A resident of another park called me this morning and wanted to know if it is possible to move the Jan 5 meeting farther out. It will be difficult to organize a bigger participation of residents due to the holidays.

## Comments on Mobile home “Opt In” Stay in Business Option DRAFT – November 11, 2015

### Program Objectives:

1. Encourage park owners (owners) to remain in business by providing an economic incentive to reinvest in their communities.

*Comments: Doesn't this imply that park owners presently have no incentive to reinvest? Rather, state law requires them to maintain their parks according to specific standards set out in the MRL. Additionally, reinvestment maintains their property as attractive to existing and new residents. If these two factors don't give them incentives, perhaps they should sell to a new owner who cares.*

2. Provide owners with financial tools to make capital improvements in their mobile home parks.

*Comments: They have a financial tool. It is called revenue or cash flow. The governing boards of townhouse and condo HOAs are required by law to build up and maintain a reserve to meet future maintenance and capital improvement needs. Do park owners not have this same obligation? What is their profit margin? Where are their reserves? Before more money is taken from their residents to support their business, they should demonstrate, by opening their books, that they are unable to meet their financial obligations otherwise.*

3. Protect mobile home parks from conversion to other uses for a minimum of twenty years.

*Comments: It is implicit in the basic business model of a mobile home park that it will continue to operate as a park, i.e., that those who purchase a manufactured home in any park can expect it to remain there. If this were not so, no one would buy into a park where there was constant uncertainty about remaining.*

4. Provide safe, relatively affordable, sustainable communities for mobile home park residents.

*Comments: This should be the default value for every owner. They shouldn't expect to receive extra rewards for doing what they are in business to do.*

5. Balance the economic incentives to owners with the goal of providing stability and relative affordability to mobile home residents.

*Comments: This is already being done through the rental or lease agreement. The owners present these agreements to the space renter, not the other way around. Are the terms of these agreements not acceptably remunerative to the park owners? They are the ones who originated them. They agreed to take in homeowners on those terms. Again, if they are suffering, let them open their books to scrutiny and demonstrate the problem to everyone.*

*Comments regarding vacancy de-control:*

*Even if there could be some agreement regarding the pass-through aspect of the opt-in concept, there are serious problems in considering the possibility of vacancy de-control of space rent. The vast majority of home owners in mobile home parks bought their homes there because it enabled them to live better on a modest income. The lower prices of mobile homes, due to not buying land with them, allowed owners either to own their homes outright or to have a minimum mortgage payment. Thus their home costs are kept within a range which they can afford on a*

*low-income salary or on a low retirement fixed income. These types of income increase little or not at all over time. Therefore, the initial projections for overall costs of living, made when one first buys into a mobile home park, must continue to be valid over time. Otherwise, the situation becomes financially unsustainable. Already, the rent increases at least 3% annually, which compounds over time into a significant increase. Homeowners' incomes, especially those of retirees, do not increase to match that. Even if there are no other cost increases, homeowners lose ground every year - rent takes an ever-increasing percentage of their income.*

*By pushing for a vacancy de-control of rent, park owners are in danger of "killing the goose that lays the golden eggs". Low rent is a major factor which makes mobile homes attractive to potential buyers. As homes change owners over time under vacancy de-control, rents increase dramatically. The more rents go up, the less attractive a mobile home is to a buyer, and the price he or she is willing to pay goes down. Living in the park becomes less attractive, because it is more expensive, and there is less differential between park living and other possibilities. Vacancy de-control will depreciate the value of every home in a park. People don't come to live in a mobile home park because it is their ideal, but because it is a pragmatic solution to their housing needs. When that becomes less true, people will begin to look elsewhere, and the park itself will become less valuable.*

*On a more general note: Is it a good precedent to accede to demands (or requests) from businesses that they be given special incentives just to stay in business? Isn't staying in business one of the normal goals of being in business? Or is this (giving special incentives) a customary practice of which I am just unaware?*

Kent Greathouse



December 23, 2015

The Honorable Sam Liccardo  
**Mayor, City of San Jose**  
City of San Jose  
200 E. Santa Clara Street, 18<sup>th</sup> Floor  
San Jose, CA 95113

Via Email

**RE: January 4, 2016 Opt-In/Stay in Business Focus Group Meeting for MHP Owners**

Dear Mayor Liccardo,

It is with disappointment and sadness that a large group of mobile home park owners, park operators and property owners are writing to let you and others at the City know we will not be available to participate in the January 4<sup>th</sup> Opt-In/Stay In Business Focus Group meeting that the Housing Department has scheduled. For the reasons noted below, owners representing roughly half of all mobile home spaces in the City will not be present. We recommend the meeting be canceled as well as the ensuing resident focus meeting scheduled the following day.

Our group met last week to prepare for the January 4<sup>th</sup> meeting, which the group had viewed as an opportunity to further collaborate with the Housing Department to meet Council's desire to have a well-rounded approach to advancing mobile home park viability. Unfortunately, the Housing Department pulled the rug out from under us. As a result of the release of its December 10<sup>th</sup> proposed Council Policy for Conversion of Mobile Home Parks to Other Uses AND your staff's intention to advance that policy discussion piecemealed from a potential new Opt-In/Stay In Business Ordinance, our group spent most of our time sidetracked discussing the draft council policy elements. Suffice to say that, with unanimity, assembled MHP owners/operators were shocked and discouraged by the draft council policy paper the Housing Department has prepared, which in no way reflects the direction the City Council set out for the policy, nor any basic information the mobile home owners have provided. It is wholly unworkable, has little basis in fact or fairness, and in all likelihood would, if implemented, constitute a taking of property as the draft itself suggests may be the case—and at the very least has infected the well in the short run. Our group now realizes it is being given no choice but to shift its efforts in the coming weeks to this unjust submittal, including retention of legal counsel, to address the draft's inherent challenges. You should expect separate communications from us on this policy in the future.

We are extremely frustrated with staff's continued attempt to piecemeal proposed council policy, the other regulatory changes staff is proposing, and the opt-In program the Council directed be considered. On the contrary, each element is integrally related and interconnected. City staff needs to review all these matters comprehensively, rather than piecemeal, in order to properly discharge its advisory duties to the City Council, which should include a neutral analysis of the issues in this challenging policy and regulatory landscape. Instead, staff now appears to be entirely advocates for residents, proposing in large part recommendations of The Law Foundation and ignoring the role that park owners, park operators and land owners play in the future viability of parks. Given the policy draft staff has presented and its intent to advance it to council in a piecemeal approach, we do not see how the staff could, in good faith, advance an Opt-In program as Council directed as it appears the policy would preclude the possibility of any voluntary stay in business approach.

We respectfully request a meeting with you and the city manager to address our group's concerns before more focus groups or public meetings on any of the policy matters related to mobile home parks are further advanced by the staff. Please contact [REDACTED] or [REDACTED] if you have interest in pursuing a meaningful conversation to further your goals and objectives as we look forward to re-engagement.

Sincerely,

San Jose Mobile Home Park Owners/Operators

cc: Norberto Duenas, City Manager  
Harry Freitas, Director of Planning, Building & Code Enforcement  
Jacky Morales-Ferrand, Director- Housing Department

# Letter to submit re: Opt-In Mobile Home Program

Brian & Jill Borders [REDACTED]

Wed 12/30/2015 2:59 PM

To: Marcus, Adam <adam.marcus@sanjoseca.gov>;

Dear Adam,

Please accept this email into the public record. I may not be able to make the Mobile Home "Opt-in" meetings Monday or Tuesday and I wish to share my thoughts here:

The opt-in plan is extortion, plain and simple. Bully to captive: "Give me your lunch money and I won't beat you up."

I have not one more penny to give my park owner. If she needs to go out of business because the rate of return is too low and she does not want to pass up on a City offering her and developers lots of reasons to demolish my home and go on to bigger bucks, then let her. I'm sure that's what this is all about anyway - a chance for the city to say, "we tried to help you" or a chance for the owners to say "we tried to stay in business for you". All a bunch of crap. Oppressors everywhere....planning department, lobbyists, developers, park owners....all the same lot of folks - "how can we squeeze more money out of people already giving us everything they have and make them serve our coffee too?" Only 20 years later when I'm 70 years old and having paid for God knows what for them, to say..."okay, get out now" we're done with you". What a crappy bargain to say the least.

I'm pretty much done with San Jose. I have tried and tried and tried to stop moving due to landlords raising prices or wanting to build, tried and tried to save a dime to buy a decent gift for my kid, tried and tried to provide stability by taking responsibility for my housing by buying the only home I could afford and not be displaced again....and now I'm being told I need to pay for Capitol Infrastructure on someone else's land and business that I will never own or never have a share of at the same time I'm already paying \$1000 a month rent for a space only? What kind of investment they want to make is one that buys me time before they ultimately decide to go out of business anyway. What a load of crap this all is.

So I'm paying for land I don't own (space rent), paying for improvements to a business I don't have any shares in (capitol infrastructure), and paying property taxes to a city that has changed our residential land designation in its General Plan to incentivize its redevelopment and cause me to lose my home! Yep, kick me again! Hey look I'm down, kick me again! What possesses wealthy landowners to think they are so superior as to come after me for another dollar in order to "let me" stay here in my immovable home is the stuff of the devil.

I've been had. By city and regional planners, by park owners, by developers and by landlords in this sick city. It's twisted and it's wrong.

The ONLY thing I have at this point is the knowledge that I have love in my heart for even the twisted people. That's the call to me by a higher power: Not to judge,

only to inspire others to judge themselves. My rage and anger are real, but the love I have inside for the divine that dwells in each one of us is greater.

Okay, I've said my peace. Though I am angry, I am far more grateful to have this roof over my head at this very moment. Displacement is becoming a way of life here in San Jose and I am so fortunate to be warm and dry on these freezing Winter nights. Until the final nail in the coffin comes for me again when our owner decides to sell to the God of high profits, I will fight for those that are being displaced and for those of us that are just trying our hardest to be financially responsible and create stability for our families. I don't believe the opt-in plan is of any value unless it is to offer up the mobile home park as a PERMANENT business to be sold to the residents in the event the owner wants to "go out of business". Their decision to "go out of business", is a decision to destroy lives and entire existing neighborhoods. This is hardly an American value I can rally behind.

I'm not sure I can stomach attending the meetings next week. Sitting with owners that have the inability to invest into their own businesses and instead expect me to do it for them, sounds a bit like torture. I would just want to scream out, "need money to improve your business? Call a bank!" Really, think hard about how ludicrous it would be for me to say to them, "Hey Mr. Landowner, I really need to upgrade the electrical panel in my house. Can you send me a monthly check to cover it?" That's right, they would be laughing at me. Why would they upgrade my house for me? And yet, they want me to pay to upgrade their infrastructure. This arrogance reeks of privilege and the inability to use basic critical thinking skills.

I am responsible for my home and everything in and on it: electrical, plumbing, painting, repairs, landscaping, maintenance, roof, lights... EVERYTHING...it's MY HOME. So...I think it is quite reasonable to expect them to be responsible for paying for investing in THEIR BUSINESS.

If the park owners need an incentive to stay in business and the City truly wants to keep us here, how about the City offer 50% off of property taxes if they stay in business? (idea taken from the City of San Jose's Economic Strategic goal #10... Incentives for residential downtown high rise projects include a 50% reduction in taxes, fee deferral until occupancy, and continuation of park fee reductions and suspension of affordable housing requirements. ) I'm sure since park owners have been contributing to the naturally affordable housing numbers for over 40 decades, it really should be the City shelling out the money to help these needy park owners. They could use the tax savings to invest into their business. But then again, the City would have to actually be genuine in wanting us mobile home owners and residents to stick around.....and I for one believe they do not.

Sincerely,

Jill Borders

## Opt-In/Stay in Buisness

James Reyner [REDACTED]

Tue 12/29/2015 2:48 PM

Inbox

To: Marcus, Adam <adam.marcus@sanjoseca.gov>;

Adam,

Will these two meetings (Jan 4 & 5) cover anything not covered in the previous two meetings?

Cheers,

Jim Reyner