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City Council
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City Manager-City Attorney
Larry McLaughlin

City Clerk
Mary Gourley

City of Sebastopol City Council Staff Report

Reviewed by City Manager 

Meeting Date: May 17, 2016
To: Mayor and City Council
From: Kenyon Webster, Planning Director
Subject: Affordable Housing Proposal for Village Park Mobile Home Park
Recommendation: Review Proposal, Provide Direction
Applicant/Owner: Gale Brownell, Applicant; City of Sebastopol, Owner
Address: 6665 Sebastopol Avenue
Funding: Currently Budgeted: Yes No N/A
Net General Fund Cost:
If Cost to Other Fund(s): Yes No N/A

Introduction:

This report reviews a potential affordable housing proposal for the City's 'Village Park' property, and recommends that the Council consider initiating further discussions regarding the proposal.

Background:

Local resident Gale Brownell has been active in efforts to address affordable housing and homelessness, and has a related professional background. In April 2016, she contacted the City regarding a potential affordable housing concept for the City-owned Village Park property, and subsequently submitted the attached conceptual proposal on behalf of the 'Group of Advocates,' an informal affordable housing group.

The property currently is operated as a 3.7-acre mobile home park. Village Park is part of a larger parcel that includes the City's newest park, Tomodachi Park, which is subject to an Open Space easement. The entire property was purchased for park purposes, however the City has made no decisions regarding the status of the mobile home use.

Ownership and operation of a mobile home park is not a typical municipal function. In addition, Village Park has operated at a deficit due to capital improvement, maintenance, and management costs, in combination with a City policy of not re-renting mobile home spaces that are vacated. In addition, several apartments have not been rented due to maintenance needs, further reducing income. There are also potential future capital improvement needs that would cause additional expense. As an alternative to continued operation, closing the park would displace long-term, primarily low-income residents, and would involve the City incurring significant relocation costs.

The property has other challenges related to its location in the 100-year floodplain.

Preliminary Proposal:

The Group of Advocates has submitted a preliminary proposal that in concept would allow current Village Park residents to remain, and would utilize vacant mobile home spaces for Recreational Vehicles (RVs) or mobile homes targeted to unhoused persons, as well as providing an accompanying array of management and supportive services. A non-profit entity would take over management of Village Park. The proposal is intended to help address, on a local level, the significant homeless and affordability issues that exist in Sebastopol and Sonoma County generally.

The proposal would involve the City leasing the Village Park portion of the property to a non-profit organization, who would take over management of the property under terms negotiated with the City. The proposal identifies an initial five-year term with renewal options.

In considering any proposal, the City should seek to ensure that appropriate management is provided, that the non-profit is proposing suitable services, and has sufficient resources to accomplish the project objectives. This would include an appropriate understanding of rental management/mobile home park responsibilities.

As part of investigation into this concept, the Group of Advocates is seeking a variety of information about the property (see list attached to their proposal). They indicate that this due diligence effort is needed as part of their feasibility review of the concept.

Analysis:

The proposal may represent an opportunity to address affordable housing needs, allow existing residents to remain, and eliminate an ongoing operational deficit.

A number of issues would need to be explored, including but not limited to:

- Outreach to current Village Park residents
- Consultations with existing park management
- Review of maintenance and improvement needs
- Management plan
- Affordable housing criteria
- Services
- Financial terms
- Length of lease and related issues
- Ensuring continued public access to Tomodachi Park

Recommendation:

Staff recommends that the Council direct the City Manager to work with the Group of Advocates regarding their informational requests, and to initiate further discussions with the group and/or designated non-profit organization, with the initial goal of determining of whether an Exclusive Negotiation Agreement is needed. If so, this would return for Council review and approval.

It may also be appropriate for the Council to engage the services of an affordable housing consultant to assist the City in evaluating the proposal. If this can be accomplished with existing budget resources and within the City Manager's purchasing authority, the City Manager can determine if this is needed. Otherwise, staff would return for Council authorization for this aspect.

Depending on the results of initial discussions and investigations, staff would work with the proponents on developing a draft lease agreement for future Council review, if such discussions and investigations prove fruitful.

Attachment: Affordable housing conceptual proposal, request for information

VILLAGE MOBILE HOME PARK
MASTER LEASE PROPOSAL
MAY 5, 2016

INTRODUCTION:

The Group of Advocates, a loose affiliation comprised of Bob Higham, Ernie Carpenter, and Gale Brownell (the GoA) proposes to work with West County Community Services, a non-profit organization experienced in property management and the provision of supportive services, to master lease the Village Mobile Home Park and the associated structures and land on a 3.73 acre parcel adjacent to the westerly side of Tomodachi Park. We wish to lease it on an interim basis until such time as the City of Sebastopol determines that it wishes to develop the site as part of the park, or sell it for development purposes.

BACKGROUND:

1. The City owns the site, which is currently approved for operation as a mobile home and RV park. It includes 28 mobile home and RV spaces and four apartments: an estimated 68 residents currently occupy 18 of the 32 living spaces. Global Student Embassy, an Analy High School club, is using a portion of the site as a community garden.
2. The property is in the 100-year flood plain, making it extremely difficult to develop.
3. The City is pursuing annexation of this site and the adjacent park, which is estimated to take 18 to 24 months. If the City determined it wished to pursue further park improvements or sale for development, the estimated additional minimum time is 12 months.
4. The City is incurring substantial annual expenditures for the operation of the mobile home park.
5. There were 98 homeless individuals identified in the 95472 zip code: as of the January 2015 Homeless Count, most are chronically homeless individuals. (Data from the 2016 count reveals an 8% decrease in the Countywide count; Sebastopol data will be available in the near future.)

PROPOSED MOBILE HOME PARK OPERATION:

1. The GoA has identified a local non-profit organization, West County Community Services, which has among its goals the assistance of

homeless citizens, and which has successful experience in property management, and in the provision of supportive services to homeless clients, to operate and manage the Village Mobile Home Park (VMHP). West County Community Services is operating a permanent supportive housing facility (PSH) in Guerneville, and has indicated they are interested in exploring the possibility with us.

2. It is our intention that the non-profit organization continue to manage the existing rentals until such times as the tenants vacate their lawful tenancies.
3. GoA intends that the vacant rental units, mobile homes and pads, and RV pads will be rented to households, which are homeless or at-risk of homelessness, with a priority to be given to qualifying Sebastopol residents.
4. All residents will have access to social services referrals or direct supportive services.
5. All tenancies will be subject to Rules of Occupancy, based upon current industry standards, and CA Relocation laws.
6. To the extent possible, all residents will occupy units that can be moved off site if flooding occurs.

PROPOSED FUNDING:

1. GoA is pursuing the use of Community Benefit funding from Sonoma County not-for-profit entities which have been identified as providing insufficient Community Benefits as befits the tax-exempt income they currently derive from Sonoma County operations.
2. It is anticipated that the Community Benefit funding will provide sufficient monies to operate the VMHP as outlined. In the initial term, however, City funds may be needed in the transfer of management and to bring the site up to Housing Standards, subject to the terms of the proposed Master Lease.

PROPOSED TERM:

1. GoA seeks a five-year Master Lease, with renewal options. Terms could include a minimum 6-month notice of lease cancellation and cancellation "for cause" by either party.
2. Should the City determine that the property is to be sold for reasons other than further park development, GoA or its proxy seeks a first right of refusal.

DUE DILIGENCE BY GOA:

1. GoA and West County Community Services must complete the due diligence in order to proceed. It is our intention to proceed with all due haste. We are willing to enter into a Due Diligence period with a specific time certain determined by the City, with extensions possible upon evidence of substantial progress, and the necessity for additional time due to delays by outside parties.
2. A substantial portion of the due diligence will involve receiving information from City staff. Please see the attachment to this proposal outlining specific information that we seek from the City at this point.

Attachment
Request for Information

Prepared by Gale Brownell

VILLAGE MOBILE HOME PARK
REQUEST FOR INFORMATION

May 5, 2016

To: Larry McLaughlin, City Manager and City Attorney

From: Group of Advocates

The Group of Advocates (GoA) seeks all pertinent information relevant to the ownership and operation of the Village Mobile Home Park (VMHP) for the purposes of determining whether West County Community Services or another local non-profit organization will be able to master lease and operate VMHP for the existing tenants and new tenants, as allowed by the State Mobile Home law, and the current use permit and other approvals on the subject site.

We would like to have all pertinent records relating to the ownership, operations and conditions of VMHP. Although we have broken out the information requested by category, we are interested in any information you have that might be helpful in our determination of the feasibility of operating the VMHP for existing tenants and future tenants from our Sebastopol homeless and at-risk community.

SITE CONDITIONS

- use permit conditions
- any inspection reports
- status/functionality of RV dump site
- BHDC property review conducted some years back, if available
- anecdotal information from staff
- agreement with Global Student Embassy for community garden

SITE OPERATIONS

- current management contracts
- breakdown of general annual operations expenses (i.e. contractor fee, management, supplies and repair, sewer, water, electric, waste...)
- current unit breakdown
 - # of mobile homes; occupied vs. vacant/ ownership characteristics of each
 - # of RVs: occupied vs. vacant with ownership characteristics of each
- current rents for each occupied unit
- current legal occupants of each MH or RV unit

ADDITIONAL INFORMATION

- staff information about Mobile Home Law
- staff perspectives on relocation law as it applies to existing and future tenants
- any additional information which is pertinent to the operation of VMHP

GROUP OF ADVOCATES
QUALIFICATIONS

ERNIE CARPENTER

From LINKED IN

Experience

Consultant □ Self □ January 1997 – Present

Focus on Waste and Recycling Issues; broad understanding of the local permitting process; and, problem solving.

COUNTY OF
SONOMA



□ **Sonoma County Supervisor**

□ County of Sonoma □ January 1981 – December 1997 Sixteen years of managing budget and work force. Planning, getting things done, making the system work for the people.

Counselor to Director □ Social Advocates for

Youth □ June 1971 – June 1980 We built a major non-profit serving youth and families. A budget of a few thousand dollars in the 70's to a few million in 2014. Although not hands on, I am still an Honorary Advisor and Board member.

Skills

Government Liaison Planning Environmental Project
Planning Government Environmental
Awareness Research Policy Strategic Planning Public
Speaking Energy Sustainable Development Environmental Policy Data
Analysis Policy Analysis See 35+

Education

□ **University of California, Berkeley** □ MSW, Social
Work □ 1967 – 1969

□ **San Francisco State University** □ BA,
Sociology □ 1961 – 1966

Interests

Birding outdoors. Unfortunately spectator sports but still pay a little half court b-ball. You listening Mr. President? gardening

Groups

□ **Waste & Resource Management Professionals** □ □ **Waste
Contractors** □ □ **Business for Clean Energy** □

BOB HIGHAM

A teacher for 44 years, currently I'm active in Galen's Garden homeless housing project; developing Safe Park sites for homeless people who sleep in their cars; development of Santa Rosa Demonstration Drought Gardens; and serve on the Sonoma County Fair Board.

I'm a gardener, orchardist, beekeeper, partial to my hens, have remodeled and built houses, and have the abiding affection for my community that I have for my students.

GALE BROWNELL

From 1980 to 2000, I served as Housing Programs Manager for the City of Santa Rosa facilitating the financing of affordable housing and homeless facilities using Federal, State and local funds. In addition I supervised the Mobile-home Rental Control Program, and grants to homeless service providers, with a budget in excess of \$3 million when I retired in 2000.

I was active in founding the local Sonoma County Continuum of Care (which distributes about \$3mil annually in Federal funding for local homeless facilities and services), serving on their Evaluation Committee, and now on their Board, representing advocacy interests. I have participated in every Sonoma County Homeless Count since 1987. www.sonoma-county.org/cdc/cdhomeless.htm

I have been a member and co-chair of the now largely quiescent Sonoma County Housing Coalition, which hosted Affordable Housing Week to educate and advocate for Affordable Housing for about 5 years until the recent recession. I now provide information and referral for people seeking housing through their website, and the I & R line 2-1-1. affordablehousingsonomacounty.org

I am a member of the Sonoma County Task Force, was on their Board for 9 years, president about half that time. I have served as Advocacy Chair in the past.

sonomacountyhomeless.org/

I was honored as Sebastopol's Humanitarian of the Year in 2007, largely for advocacy for affordable housing, and my on-going relationships with local homeless folks through the Winter Warmth Project, which gathers and distributes warm clothing and camping gear during the winter months.

I have been active in Sonoma County Housing issues since my husband and I first bought property here in 1971, forty-five years ago. We invested in small rental properties: I learned carpentry and electrical skills to rehab them. Those skills were also used when I joined the City of Santa Rosa Department of Housing.