REPORT OF THE CHIEF LEGISLATIVE ANALYST

Assignment No. 13-05-0389 Council File No. 13-0002-S74

DATE:

May 16, 2013

TO:

Honorable Members of the Rules, Elections and Intergovernmental Relations Committee

FROM:

Gerry F. Milley Chief Legislative Analyst

SUBJECT:

Resolution (Rosendahl-Zine) to SUPPORT SB 510 (Jackson) relative to the Subdivision Map Act and

rental mobilehome park conversion.

<u>CLA RECOMMENDATION</u>: Adopt the attached Resolution to include in the City's 2013-14 State Legislative Program SUPPORT for SB 510 (Jackson), which would require that a local agency consider survey results in making decisions to approve, conditionally approve, or disapprove a mobilehome park subdivision map.

SUMMARY

Resolution (Rosendahl-Zine) indicates that SB 510 (Jackson) would authorize local government agencies to disapprove a subdivision map for the conversion of a mobilehome park if the results of a survey indicate that at least a majority of the mobile park's homeowners are opposed.

The Subdivision Map Act governs the division of land, including mobilehome parks. A subdivision is any division of land for the purpose of sale, lease, or financing and is governed by the California Subdivision Map Act (California Government Code § 66410). The Resolution indicates that SB 510 would enable local governments to deny a mobilehome park conversion application wherein the survey results indicate that a majority of park residents are opposed to a proposed subdivision.

Mobile home parks are typically owned on land that is not subdivided, and its owners pay rent for the space they occupy to an individual, partnership, or corporation. An alternative form of ownership involves a mobilehome located on a subdivided park where each mobilehome is installed in a privately-owned parcel where the owner owns the land.

The Subdivision Map Act requires that a park owner obtain a survey of support of at least two-thirds of the owners who are tenants in the mobile home park indicating their intent to purchase the park for a conversion to resident ownership. However, the Subdivision Map Act currently does not require local jurisdictions to use survey results in its consideration of the proposed division of land.

City Attorney comments:

The City Attorney has reviewed the proposed legislation, and opines that there are no legal issues of concern.

Planning Department comments:

The Planning Department reviewed the proposed legislation, and indicate that they have no issues.

DEPARTMENTS NOTIFIED

Planning Department City Attorney

BILL STATUS

2/21/13 Introduced 4/30/13 Amended 5/2/13 Passed Senate and referred to Assembly 5/2/13 In Assembly. Read first time. Held at Desk.

Roberto R. Mejia

Analyst

Attachments:

- 1. Resolution (Rosendahl-Zine).
- 2. SB 510 (Jackson) and bill history.
- 3. City Attorney and Planning Department response.
- 4. April 12, 2013 League of California Cities letter.

RESOLUTION

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations, or policies proposed to or pending before a local, state, or federal governmental body or agency must first have been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, the Subdivision Map Act governs the division of land, including mobilehome parks; and

WHEREAS, a mobile home park is typically owned by an individual, partnership, or corporation where the land is not subdivided, and mobilehome owners pay rent for the space they occupy; and

WHEREAS, an alternate form of ownership involves a subdivided park, where each mobile home is installed in a privately-owned parcel where the purchase price includes the land the home is located on; and

WHEREAS, the current Subdivision Map Act currently requires that a park owner obtain a survey of support of residents in order to subdivide an existing mobilehome park and the park owner is required to count how many residents support or oppose the land division; and

WHEREAS, existing law does not allow local jurisdictions to use the actual count in considering the proposed land division; and

WHEREAS, SB 510 (Jackson) would provide local governments with the option to deny a mobilehome park conversion application where there is evidence that park residents are opposed; and

WHEREAS, local jurisdictions should be able to consider and act upon all relevant information available when considering approval of such matters;

NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2013-2014 State Legislative Program SUPPORT for SB 510 which would require that a local agency consider survey results in making decisions to approve, conditionally approve, or disapprove a mobilehome park subdivision map.

PRESENTED BY

BILL RÓSÉNDAHL

Councilmember, 11th District

SECONDED BY

Office of the City Clerk, City of Los Angeles

This report was generated by the Council File Management System on 05/06/2013 *************************

Council File Number

13-0002-S74

Title

SB 510 (Jackson) / Mobilehome Park Subdivision Map

Last Change Date

Expiration Date 05/03/2015

05/03/2013

Pending in committee

Rules, Elections and Intergovernmental Relations Committee

Mover

Second

BILL ROSENDAHL

DENNIS ZINE

Action History for Council File 13-0002-S74

Date

Activity

05/03/2013 Resolution referred to Rules, Elections and Intergovernmental Relations Committee.

Monday, May 06, 2013

Introduced by Senator Jackson

(Coauthors: Assembly Members Alejo and Williams)

February 21, 2013

An act to amend Section 66427.5 of the Government Code, relating to land use.

LEGISLATIVE COUNSEL'S DIGEST

SB 510, as amended, Jackson. Land use: subdivisions: rental mobilehome park conversion.

The Subdivision Map Act requires a subdivider, at the time of filing a tentative or parcel map for a subdivision to be created from the conversion of a rental mobilehome park to resident ownership, to avoid the economic displacement of all nonpurchasing residents by following specified requirements relating to the conversion, including the requirement that. In this regard, existing law requires that the subdivider obtain a survey of support of residents of the mobilehome park for the proposed conversion, the requirement that the results of the survey be submitted to the local agency for consideration, as specified, and the requirement that the subdivider be subject to a hearing by the legislative body or advisory agency that is authorized to approve, conditionally approve, or disapprove the map.

This bill would provide that the local agency is required to consider the results of the survey in making its decision to approve, conditionally approve, or disapprove the map, and that the agency is authorized to disapprove the map if it finds that the results of the survey have not demonstrated the support of at least a majority of the park's homeowners. This bill would provide that local legislative bodies may SB 510 _- 2 ---

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enact-local regulations to, by ordinance or resolution, implement the survey requirements.

This bill would set forth the findings and declarations of the Legislature that the changes made by this act do not constitute a change in, and are declaratory of, existing law, and would state the intent of the Legislature to clarify the intent of certain provisions of the act.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 66427.5 of the Government Code is 2 amended to read:

3 66427.5. At the time of filing a tentative or parcel map for a subdivision to be created from the conversion of a rental 5 mobilehome park to resident ownership, the subdivider shall avoid the economic displacement of all nonpurchasing residents in the 7 following manner: 8

- (a) The subdivider shall offer each existing tenant an option to either purchase his or her condominium or subdivided unit, which is to be created by the conversion of the park to resident ownership, or to continue residency as a tenant.
- (b) The subdivider shall file a report on the impact of the conversion upon residents of the mobilehome park to be converted to resident owned subdivided interest.
- (c) The subdivider shall make a copy of the report available to each resident of the mobilehome park at least 15 days prior to the 16 hearing on the map by the advisory agency or, if there is no advisory agency, by the legislative body.
 - (d) (1) The subdivider shall obtain a survey of support of residents of the mobilehome park for the proposed conversion.
 - (2) The survey of support shall be conducted in accordance with an agreement between the subdivider and a resident homeowners' association, if any, that is independent of the subdivider or mobilehome park owner.
 - (3) The survey shall be obtained pursuant to a written ballot.
 - (4) The survey shall be conducted so that each occupied mobilehome space has one vote.
- (5) The results of the survey shall be submitted to the local 28 agency upon the filing of the tentative or parcel map, to be

--3 -- SB 510

1 considered in the agency's decision as to whether to approve, 2 conditionally approve, or disapprove the map, and the agency may 3 disapprove the map if it finds that the results of the survey have 4 not demonstrated the support of at least a majority of the park's 5 homeowners.

- (6) Local legislative bodies may-enact local regulations to, by ordinance or resolution, implement the requirements of this subdivision.
- (e) The subdivider shall be subject to a hearing by a legislative body or advisory agency, which is authorized by local ordinance to approve, conditionally approve, or disapprove the map. The scope of the hearing shall be limited to the issue of compliance with this section.
- (f) The subdivider shall be required to avoid the economic displacement of all nonpurchasing residents in accordance with the following:
- (1) As to nonpurchasing residents who are not lower income households, as defined in Section 50079.5 of the Health and Safety Code, the monthly rent, including any applicable fees or charges for use of any preconversion amenities, may increase from the preconversion rent to market levels, as defined in an appraisal conducted in accordance with nationally recognized professional appraisal standards, in equal annual increases over a four-year period.
- (2) As to nonpurchasing residents who are lower income households, as defined in Section 50079.5 of the Health and Safety Code, the monthly rent, including any applicable fees or charges for use of any preconversion amenities, may increase from the preconversion rent by an amount equal to the average monthly increase in rent in the four years immediately preceding the conversion, except that in no event shall the monthly rent be increased by an amount greater than the average monthly percentage increase in the Consumer Price Index for the most recently reported period.
- SEC. 2. (a) The Legislature finds and declares that the amendments to Section 66427.5 of the Government Code made by this act do not constitute a change in, but rather are declaratory of, existing law.
 - (b) It is the intent of the Legislature to clarify that the legislative intent underpinning paragraphs (1) and (5) of subdivision (d) of

SB 510 --- 4 ---

Section 66427.5 of the Government Code has been, and continues

- to be, to require a local agency to consider, in making the decision to approve, conditionally approve, or disapprove the tentative or parcel map, the level of resident support for the proposed
- 5
- conversion, and that those provisions authorize the agency, at its discretion, to disapprove the map if it finds that the results of the survey have not demonstrated the support of at least a majority of
- a park's homeowners.

COMPLETE BILL HISTORY

BILL NUMBER: S.B. No. 510

AUTHOR: Jackson

TOPIC : Land use: subdivisions: rental mobilehome park conversion.

TYPE OF BILL:

Active

Non-Urgency

Non-Appropriations

Majority Vote Required

Non-State-Mandated Local Program

Non-Fiscal

Non-Tax Levy

BILL HISTORY

2013

May 2 In Assembly. Read first time. Held at Desk.

May 2 Read third time. Passed. (Ayes 21. Noes 16. Page 776.) Ordered to the Assembly.

Apr. 30 Read second time and amended. Ordered to third reading.

Apr. 29 From committee: Do pass as amended. (Ayes 7. Noes 3. Page 668.) (April 23).

Mar. 19 Set for hearing April 23.

Mar. 18 Set, second hearing. Hearing canceled at the request of author.

Mar. 13 Set for hearing April 16.

Mar. 12 Set for hearing April 2. Set, first hearing. Hearing canceled at the request of author.

Mar. 11 Referred to Com. on T. & H.

Feb. 22 From printer. May be acted upon on or after March 24.

Feb. 21 Introduced. Read first time. To Com. on RLS. for assignment. To print.

CURRENT BILL STATUS

MEASURE: S.B. No. 510

AUTHOR(S) : Jackson (Coauthors: Assembly Members Alejo and Williams).

TOPIC : Land use: subdivisions: rental mobilehome park

conversion.

HOUSE LOCATION: ASM

+LAST AMENDED DATE: 04/30/2013

TYPE OF BILL:

Active

Non-Urgency

Non-Appropriations

Majority Vote Required

Non-State-Mandated Local Program

Non-Fiscal

Non-Tax Levy

LAST HIST. ACT. DATE: 05/02/2013

LAST HIST. ACTION: In Assembly. Read first time. Held at Desk.

COMM. LOCATION: SEN TRANSPORTATION AND HOUSING

COMM. ACTION DATE : 04/23/2013

COMM. ACTION : Do pass as amended.

COMM. VOTE SUMMARY: Ayes: 07 Noes: 03 PASS

TITLE : An act to amend Section 66427.5 of the Government Code, relating to land use.



Roberto Mejia <roberto.mejia@lacity.org>

Re: SB 510 (mobilehome park and Subdivision Map Act)

1 message

Tom Rothmann <tom.rothmann@lacity.org> To: Roberto Mejia <roberto.mejia@lacity.org> Thu, May 16, 2013 at 10:30 AM

Hey Roberto, Sorry I didn't get back to you sooner. We have no issues. Tom

On Thu, May 16, 2013 at 9:40 AM, Roberto Mejia <roberto.mejia@lacity.org> wrote: Hi Tom:

Any comments on SB 510. City Attorney doesn't see any issues.

----- Forwarded message -----

From: Amy Brothers <amy.brothers@lacity.org>

Date: Mon, May 6, 2013 at 6:00 PM

Subject: Fwd: SB 510 (mobilehome park and Subdivision Map Act)

To: Roberto Mejia <roberto.mejia@lacity.org>, Terry Kaufmann-Macias <terry.kaufmann-macias@lacity.org>, Kenneth Fong <kenneth.fong@lacity.org>

Hi Roberto, Terry has asked me if I have any comments on SB 510. I am very familiar with the mobilehome park conversion statutes in the Subdivision Map Act. I see no legal concern with SB 510.

Do not hesitate to contact me if you want more information.

Amy Brothers Deputy City Attorney Land Use Division ph: (213) 978-8069 fax: (213) 978-8214

------ Forwarded message ------

From: Roberto Mejia <roberto.mejia@lacity.org>

Date: Mon, May 6, 2013 at 3:18 PM

Subject: SB 510 (mobilehome park and Subdivision Map Act)

To: Tom Rothmann <tom.rothmann@lacity.org>, Terry Kaufmann-Macias <terry.kaufmann-macias@lacity.org>, Kenneth Fong <kenneth.fong@lacity.org>

Cc: Iris Fagar-Awakuni <iris.fagar-awakuni@lacity.org>, John Wickham <john.wickham@lacity.org>

Hil

CM Rosendahi has introduced a Resolution to <u>support SB 510</u> (Jackson), which would require a local agency to consider survey results from residents of a mobilehome park for the proposed <u>conversion</u> of a rental mobilehome park to resident homeownership, in making its decision to approve/conditionally approve/or disapprove a tentative or parcel map.

The intent of the bill is to allow local jurisdictions the ability to deny a subdivision map, if the survey results show that the majority of the mobilepark's homeowners.

Please let me know if you have any concerns so I can denote them in the CLA report to the Rules Committee.

http://cityclerk.lacity.org/lacityclerkconnect/index.cfm?fa=ccfi.viewrecord&cfnumber=13-0002-S74

Thank you for your help.

Roberto R. Mejia Legislative Analyst Office of the Chief Legislative Analyst



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April 12, 2013

The Honorable Hannah-Beth Jackson California State Senate State Capitol, Room 5080 Sacramento, CA 95814

RE: SB 510 (Jackson). Land use: subdivisions: rental mobilehome park

conversion. (As Introduced)

NOTICE OF SUPPORT IN CONCEPT

Dear Senator Jackson:

The League of California Cities (League) is pleased to support in concept SB 510 (Jackson) which would authorize local agencies to disapprove a map for conversion of a mobilehome park if the results of a survey have not demonstrated the support of at least a majority of the homeowners.

The League has a history of supporting legislation regarding the issue of surveys for mobilehome park conversions. However, recently there have been a series of mobilehome park cases litigated with differing outcomes (*Goldstone v. County of Santa Cruz, Chino v. City of Chino, and Monarch Country v. Goleta*, which was not published). As a result of these cases, the League created a working group of city attorneys with a background on mobilehome park conversion to further review the issue to see if additional guidance in the form of legislation is necessary, and if so, if the legislative fix should look like SB 510. The League's City Attorney Annual Conference is in early May. We hope to be able to provide the expert feedback after that conference to either support SB 510, as is, or provide amendments that we believe would improve the bill by providing local control and clarifying an issue that places cities squarely in the middle of a legal tug-of-war.

For these reasons, the League supports in concept SB 510. If you have any questions about our position, you can reach me at (916) 658-8250.

Sincerely,

LIBERTY E. LOLDINGE

Kirstin Kolpitcke Legislative Representative

cc: Chair and Members, Senate Transportation and Housing Committee Carrie Cornwell, Chief Consultant, Senate Transportation and Housing Committee Ryan Eisberg, Consultant, Senate Republican Caucus