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By Electronic Mail

November 21, 2017

Community and Economic Development Committee San José City Hall 200 East Santa Clara Street San José, CA 95113

Re: November 27, 2017, Meeting, Agenda Item D-7 Mobilehome Opt-In/Stay-In-Business, Analysis of Draft Framework

Dear Chair, Vice Chair, and Members of the CEDC:

The Law Foundation appreciates this opportunity to provide input on the Mobilehome Opt-In/Stay-In-Business Draft Framework proposed by staff. For all of the following reasons, we urge the CEDC to adopt staff's proposed Policy Alternative #1 and recommend that the City Council direct staff to cease working on the Opt-In concept.

HCDC already recommended that staff cease working on the Opt-In/Stay-In-Business concept. Staff's November 16, 2017, memo to the CEDC expresses its concern about using its limited resources to continue working on this concept. As described in staff's memo, years of work – by City staff, the Advisory Committee, and HCDC – have not produced a concept that is a workable solution for park owners or park residents.

One way in which the Opt-In concept fails is that it does not address how the mere announcement that a park may close will strip equity out of residents' homes and make it impossible to move during the Opt-In period. This is because if adopted and utilized by a park owner, residents would be unable to sell their homes in a park that was perceived to be closing and converting to another use. This significant impact was not analyzed by staff, and no solution was proposed to mitigate it. Under the Opt-In/Stay-In-Business proposal, park residents bear all of the risk, since they will lose their hard-earned investment in their homes.

Not even park owners remain enthused about pursuing the Opt-In concept. We are informed and believe that not a single park owner or operator attended and addressed HCDC or submitted written comments in October in support of this concept.

As such, we urge the CEDC to adopt staff's proposed Policy Alternative #1 and recommend that the Council direct staff to cease working on the Opt-In concept.

Letter to Community and Economic Development Committee November 27, 2017, Meeting, Agenda Item D-7 Mobilehome Opt-In/Stay-In-Business, Analysis of Draft Framework November 21, 2017 Page 2

Thank you for considering the Law Foundation's comments. We welcome the opportunity to discuss our letter with members of the HCD Commission. I can be reached at <u>dianac@lawfoundation.org</u> and 408-280-2448.

Sincerely,

Draina E. Castillo

Diana Castillo Senior Attorney