



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Planning Commission

**SUBJECT:** SEE BELOW

**DATE:** February 26, 2020

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**COUNCIL DISTRICT:** 4, 7

**SUBJECT:** GPT19-003/GP19-005/GP19-006: GENERAL PLAN TEXT AMENDMENT, GENERAL PLAN AMENDMENT FOR REAL PROPERTY LOCATED AT 625 HILLSDALE AVENUE, AND GENERAL PLAN AMENDMENT FOR REAL PROPERTY LOCATED AT 500 NICHOLSON LANE.

## RECOMMENDATION

The Planning Commission voted (6-0-1; Commissioner Oliverio absent) to recommend that the City Council:

- (a) Adopt a resolution adopting the General Plan Text Amendment to add a new land use designation entitled “Mobilehome Park” to Chapter 5 (“Interconnected City”) of the Envision San José 2040 General Plan (File No. GPT19 003);
- (b) Adopt a resolution amending the Envision San José 2040 General Plan Land Use/Transportation Diagram land use designation from Urban Residential and Residential Neighborhood to Mobilehome Park for 625 Hillsdale Avenue on a 21.71 gross acre site (File No. GP19 005); and
- (c) Adopt a resolution amending the Envision San José 2040 General Plan Land Use/Transportation Diagram land use designation from Urban Residential to Mobilehome Park for 500 Nicholson Lane on an 83.43 gross acre site (File No. GP19 006).
- (d) In addition to the above, the Planning Commission further recommended that the City Council:
  - (1) Consider a City initiated General Plan amendment and direct staff to return to Council to consider applying the Mobilehome Park land use designation to the remaining 56 mobilehome parks in the City; and
  - (2) Consider amendments to the General Plan and/or City Council Policy 6 33 and direct staff to return to Council to consider additional amendments to better protect existing mobilehome residents by ensuring residents receive just compensation in the event of a conversion, with the criteria being, at a minimum, comparable to what was received by residents at the Winchester Ranch Mobilehome Park, and to include strategies to ensure mobilehome units lost are replaced with deed restricted on site, affordable housing.

## **OUTCOME**

Approval of the resolutions listed above will:

- Create a new land use designation in the Envision San José 2040 General Plan entitled “Mobilehome Park;”
- Change the General Plan land use designation of the Mountain Springs mobilehome park (625 Hillsdale Avenue) from Urban Residential and Residential Neighborhood to Mobilehome Park; and
- Change the General Plan land use designation of Westwinds Mobilehome Park (500 Nicholson Lane) from Urban Residential to Mobilehome Park.

## **BACKGROUND**

In 2015, in response to the proposed Winchester Ranch Mobilehome Park conversion, the City Council directed staff to develop a work plan and public process for updating or creating new ordinances and policies to protect current mobilehome park residents and preserve existing mobilehome parks.

Since 2015, the City has taken the following actions:

1. **Zoning Code Changes.** On February 23, 2016 and May 16, 2017, the Council adopted amendments to the Zoning Code to further protect residents in existing mobilehome parks in the City, such as making the City Council the initial decision-making body for consideration of all proposed mobilehome park conversions and exempting parcels with mobilehome parks from being eligible for the conforming rezoning process.
2. **City Council Policy Adoption.** On February 23, 2016, the Council adopted a new City Council Policy 6-33 “Conversion of Mobilehome Parks to Other Uses” to help guide the Council in implementation of the conversion ordinance. Minor clarifying revisions were approved by City Council on May 16, 2017.
3. **Moratorium on Conversions and Closures.** On March 1, 2016, the City Council approved a temporary moratorium to prevent conversion or closure of mobilehome parks. This was done to allow time for staff to work on a closure ordinance, other changes to the Zoning Code to protect mobilehome park residents, and clarifications to Council Policy 6-33. The moratorium ended on August 24, 2017.
4. **General Plan Text Amendments (File No. GPT15-006 and GPT18-004).** On May 16, 2017 and December 4, 2018, the Council adopted General Plan text amendments to add and enhance goals, policies, and actions to protect existing mobilehome parks in San José.

In May 2017, City Council directed staff to return to Council with an analysis of General Plan amendments for mobilehome park sites to either a "Commercial," "Industrial," "Industrial Park" or a (proposed) "Mobilehome Park" land use designation for those sites that currently have a Residential designation.

On March 13, 2018, staff presented City Council with an analysis of the proposed General Plan land use amendments for mobilehome parks, and the associated staffing requirements for moving these amendments forward.

Staff found that of the 59 mobilehome parks in San José, 41 parks have a full residential General Plan land use designation, four parks have split residential and non-residential land use designations, and 14 parks have non-residential designations (Attachment A). City-initiated General Plan amendments to change the land use designations of mobilehome parks would not directly prohibit mobilehome park owners from closing their parks but could strengthen the protection of mobilehome park residents by creating an additional transparent public land use entitlement process to redevelop the sites. A General Plan amendment, however, would already be needed or desired prior to redeveloping most of the current mobilehome parks including the 39 mobilehome parks with a Residential Neighborhood land use designation because the Residential Neighborhood land use designation only allows a density of approximately eight dwelling units per acre.

Staff also conducted a work load analysis that determined that undertaking General Plan land use amendments for all mobilehome parks would be a timely and costly process, requiring additional resources. Table 1 below summarizes staff's estimated timeframe, costs, and level of environmental review required to implement General Plan Amendments on all or a subset of mobilehome parks in San José.

Table 1

Work Task	Staff Resources and Costs	CEQA and Consultant Costs	Public Noticing and Outreach Costs	Total Costs	Timeframe
General Plan Land Use Amendments to Mobilehome Park Designation On all sites	<ul style="list-style-type: none"> <li>1.0 FTE – Planner III, PBCE (\$125,500-\$188,300)</li> <li>0.5 FTE – Development Officer, Housing (\$70,300)</li> </ul>	Negative Declaration Addendum to the General Plan EIR, or Environmental Impact Report depending on outcome of Initial Study (\$110,000)	\$13,000 (assumes 8 community meetings)	\$318,800 - \$381,600	12 to 18 months

Balancing Council actions taken since 2015 to protect current mobilehome park residences with the resources needed to implement land use amendments for all mobilehome parks, as well as amendments which would not result in significantly more protection for most mobilehome parks, staff recommended that City Council refer to the next Council Priority Setting Session consideration of General Plan land use amendments for the two mobilehome parks with high density residential land use designations (Westwinds and Mountain Springs mobilehome parks) that are most at-risk of redevelopment (see Attachment B). City Council accepted staff's recommendation and directed staff under the 2019 Mobilehome Conversions Council Policy Priority item (Council Policy Priority #2) to commence work no later than Spring 2019 to create a new Mobilehome Park General Plan land use designation and apply that designation to the Westwinds and Mountain Springs mobilehome parks.

Complying with City Council direction, in Spring 2019, staff initiated work to create the new Mobilehome Park General Plan land use designation and updated staff work plans to complete the General Plan amendments by June 2020. Staff conducted three community outreach meetings in the summer 2019 (see Public Outreach section of this memorandum).

On January 9, 2020, in a memorandum to the City Council, Mayor Sam Liccardo and Councilmember Lan Diep recommended to accelerate Council's direction from March 13, 2018 and recommended the General Plan amendments proceed to the January 23, 2020 Housing and Community Development Commission meeting, and to the Planning Commission and Council meetings that immediately follow, for a final determination. The Rules and Open Government Committee approved the recommendation at its January 15, 2020 meeting.

## **ANALYSIS**

A complete analysis of the proposed General Plan text amendments is contained in the attached Planning Commission Staff Report.

## **CONCLUSION**

The proposed General Plan Amendments will create a new Mobilehome Park land use designation in the Envision San José 2040 General Plan and change the land use designation for Mountain Springs and Westwinds mobilehome parks to Mobilehome Park consistent with Council direction. Future proposed conversions of the Mountain Springs and Westwinds mobilehome parks to any other use would require a General Plan Amendment in addition to the requirements of the Mobilehome Conversion Ordinance, Council Policy 6-33, and State law.

## **EVALUATION AND FOLLOW-UP**

If the proposed General Plan Amendments are approved by City Council, the new land use designations will be effective 30 days from adoption by the City Council.

## **CLIMATE SMART SAN JOSÉ**

The recommendation in this memorandum has no effect on Climate Smart San José energy, water, or mobility goals.

## **PUBLIC OUTREACH**

Staff followed Council Policy 6-30: Public Outreach Policy. Notices for the public hearing were distributed to the owners and tenants of all properties located within 1,000 feet of both subject sites. The Staff Report is also posted on the City's website, and staff has been available to respond to questions from the public. Staff held three community meetings for the proposed General Plan amendments and presented the proposal to the Housing and Community Development Commission.

On August 8, 2019, Planning staff hosted a community meeting at the Alviso Library to provide information and receive input on the proposed City-initiated General Plan amendment to the Westwinds Mobilehome Park (File No. GP19-006; 500 Nicholson Lane). Approximately 144 community members attended the meeting. Residents and stakeholders expressed their support and concerns. Community members asked questions about the actions proposed by the City and the effective outcome of the proposed General Plan amendments. Residents were specifically concerned about relocation and asked questions related to the intent of the property owners about the existing mobilehome management lease. A second community meeting was conducted on September 3, 2019 at Westwinds Mobilehome Park Community Center. Approximately 60 community members attended the meeting with similar concerns about conversion and displacement. Staff reiterated that the intent of the City was to further the Council's goals related to the preservation of mobilehome parks. However, staff also stated that the proposed General Plan Amendment would not prevent the property owner from proposing to change the land use designation in the future.

On September 5, 2019, Planning staff hosted a community meeting at the Mountain Springs Mobilehome Park to provide information and receive input on the proposed City-initiated General Plan amendment to the Mountain Springs Mobilehome Park. Approximately 38 community members and stakeholders attended the meeting and expressed their support and concerns for the proposal. Residents were specifically concerned about displacement and process. Staff stated the intent of the proposal was to preserve the mobilehome park; staff also reviewed the timeline and General Plan Amendment process. Residents expressed their support

for the Mobilehome Park land use designation and were interested in attending the Planning Commission and City Council hearings.

On January 23, 2020, Planning staff provided information on the proposed General Plan Amendments to the Housing and Community Development Commission (HCDC). Planning Staff presented background and a summary of the proposed new Mobilehome Park General Plan land use designation and its application to the Westwinds and Mountain Springs mobilehome parks. Twelve members of the public spoke on the item, the majority being mobilehome park residents. The speakers were supportive of the proposed General Plan Amendments and expressed that the mobilehome parks provide an affordable housing option for many families that cannot afford to live in San José. The commissioners discussed the item and asked staff questions regarding how the proposed actions would function as a preservation tool for mobilehome parks, why the proposed land use designation is not proposed to be applied to more mobilehome parks, and if staff had considered monetary incentives to the mobilehome park owners subject to the General Plan Amendment. The HCDC voted 8-0-2 (Commissioners Moore and Shoor abstained) to recommend the City Council apply the proposed Mobilehome Park land use designation to all mobilehome parks in the City.

### **COORDINATION**

The preparation of the proposed Mobilehome Park land use designation was coordinated with the City Attorney's Office and the Housing Department.

The draft General Plan amendments was reviewed by the Santa Clara County Airport Land Use Commission (ALUC) on February 26, 2020. ALUC staff found that the proposed General Plan Amendments do not have any aviation impacts and were therefore deemed to be consistent with the San José International Airport and the Reid Hillview Airport Comprehensive Land Use Plans.

### **COMMISSION RECOMMENDATION/INPUT**

Planning Staff presented the General Plan Amendments to the Planning Commission on February 12, 2020. Staff presented a summary of the proposed General Plan Text Amendment, including background and purpose and prior City Council direction.

Twelve members of the public provided comments during the hearing. Most public speakers were residents from Mountain Springs and Westwinds mobilehome parks and spoke in support of the proposed General Plan amendments to protect naturally occurring affordable housing. One resident from Mountain Springs requested special protections for senior mobilehome parks because of the challenges for seniors to move. Another resident of Westwinds Mobilehome Park reiterated the sentiment and statements of other residents about the fear of displacement and difficulty finding affordable housing in the area. Some speakers also expressed concern that

property values of their mobilehomes would significantly decrease once the conversion of a mobilehome park is announced.

Commission Caballero asked staff why the Mobilehome Park land use designation is only being applied to two locations rather than to all mobilehome parks in the City. She also asked why the entire land use designation for Mountain Springs Mobilehome Park was proposed to be changed to Mobilehome Park, instead of only the portion that is designated Urban Residential. Staff responded that the Mountain Springs and Westwinds mobilehome parks land use designation allow high-density residential and were identified as most at risk of conversion, while the remaining 56 mobilehome parks would require a General Plan Amendment to development multi-family housing. Staff also noted that significant staff resources would be needed to carry out General Plan amendments for all mobilehome parks as another reason to focus the land use amendments on the most vulnerable sites. Staff stated that the entire Mountain Springs Mobilehome Park was proposed to change so that the site would have a consistent land use designation of Mobilehome Park rather than a split land use designation.

Commissioner Griswold asked staff why the initial Urban Residential land use designation was applied to the site. Staff responded that the two sites are within General Plan Growth Areas (North San José and Communications Hill) and that the designation was most likely carried over from the San José 2020 General Plan to Envision San José 2040. Commissioner Griswold also asked about the proposed maximum density of the proposed Mobilehome Park land use designation and specifically if the language that requires infill development to match existing density would limit infill development. Staff stated that the 25-unit density was created to reflect all mobilehome parks in San José and staff's intention was to limit infill development. Staff did not foresee many instances where mobilehome park owners would develop more mobilehome lots on existing mobilehome park sites. Commissioner Griswold also expressed her desire to see the City of San José develop a template to give residences more assurances when a mobilehome park was proposed for conversion.

Commissioner Bonilla thanked staff and made a motion to approve staff recommendation. Commissioner Yesney seconded the motion, and Commissioner Allen amended the motion to add a recommendation that City Council direct staff to start the City-initiated General Plan Amendment process and return to Council to consider applying the Mobilehome Park land use designation to the remaining 56 mobilehome parks and direct staff to continue to explore, analyze, and return to Council with amendments to the General Plan, Mobilehome Conversion Ordinance, and/or City Council Policy 6-33 to ensure residents receive just compensation in the event of a conversion, similar to what was received by residents of Winchester Ranch mobilehome park.

Commissioner Caballero agreed with the Commissioner Allen's motion and stated that she believed the role of the Planning Commission is to push and recommend amendments that could make our housing stock more robust, and stated the need to keep affordable housing on site. Chair Ballard gave her support of the motion and asked to strengthen the motion by including Winchester Ranch as a baseline for what residents should receive as a relocation or compensation package. Further, Commissioner Yesney added that she would like to see changes to Council Policy 6-33 to preserve the housing stock beyond simply the Inclusionary Housing Fee. She stated long-term restrictions on affordability should be incorporated on-site in new developments.

Commissioner Yesney clarified the motion and asked clarifying questions as to what Council Policy 6-33 already requires. Staff clarified that no specific compensation program exists within the policy, but an assessed value of the homes is required to determine compensation.

Senior Deputy City Attorney, Johnny Phan, clarified that there was extensive work done since 2015 to update the General Plan, Conversion Ordinance, and City Council Policy 6-33 to better protect mobile home residents and the City is limited under federal and state laws. For example, it is difficult legally to require a certain compensation amount or other specific requirements. He said, however, more could potentially be done and the Planning Commission could make a recommendation to the City Council that they direct staff to continue to explore these issues.

Commissioner Griswold clarified that the intent of the motion is to provide more clarity on the outcome that should be achieved when a mobilehome park is converted, citing Winchester Ranch as a model outcome. Commissioner Ballard asked for any other clarifying questions, thanked staff and initiated a vote from Planning Commission.

The Planning Commission voted 6-0-1 (Commissioner Oliviero absent) to recommend that the City Council approve the General Plan Amendments as recommended by staff and to consider a City-initiated General amendment process to apply the Mobilehome Park land use designation to the remaining 56 mobilehome parks in the City; and to consider amendments to the General Plan to better protect existing mobilehome residents by ensuring residents receive just compensation in the event of a conversion, with the criteria being, at a minimum, comparable to what was received by residents at the Winchester Ranch Mobilehome Park, and to include strategies to ensure mobilehome units lost are replaced with deed restricted on-site affordable housing.

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**CEQA**

Determination of Consistency with the Envision San José 2040 General Plan Final Program Environmental Impact Report (FEIR), for which findings were adopted by City Council through Resolution No. 76041 on November 1, 2011, and Supplemental EIR Resolution No. 77617, adopted by City Council on December 15, 2015, and Addenda thereto. Pursuant to Section 15168 of the CEQA Guidelines, the City of San José has determined that this activity is within the scope of the earlier approved programs and the Final Program EIRs adequately describe the activity for purposes of CEQA. The project does not involve new significant effects beyond those analyzed in the Final Program EIRs.

/s/

ROSALYNN HUGHEY, Secretary  
Planning Commission

For questions please contact Michael Brilliot, Deputy Director, at 408-535-7831.

Attachments: Planning Commission Staff Report

Attach A -- San Jose Mobilehome Parks General Land Use Designation

Attach B -- City Council Memorandum dated March 3, 2018

Attach C -- City Council Information Memorandum dated February 26, 2020