

From: [REDACTED]
To: [City Council](#)
Cc: prc@mountainview.gov
Subject: 9/14/21 meeting agenda item 5 (non-agendized -- Middlefield median tree removal)
Date: Monday, September 13, 2021 10:25:11 PM
Attachments: [Comments to PRC \(revised\).pdf](#)

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To: Mountain View City Council
From: Joel Dean, 750 N.Shoreline Blvd., Mountain View
Subject: 9/14/21 meeting agenda item 5 (Non-agendized: Middlefield median tree removal)

The Parks and Recreation Commission's disapproval of Public Works' request to increase the number of heritage trees to be removed from the Middlefield median is a welcome sign that people in authority finally recognize that DPW's wishes are not always in the public interest. If the PRC's action kills the underlying project (adding second lanes to the left-turn pockets at Middlefield and Shoreline), so much the better. It was ill-conceived to begin with because it serves the movements which were least constrained by pre-pandemic congestion and too few in number to contribute to that congestion. It has no purpose unless the number of left turns doubles as forecast in the North Bayshore Precise Plan, in which case it would be a small part of a catastrophe.

The last iteration of the North Bayshore Precise Plan dates from 2017. Like just about every plan everyone ever made before the pandemic, it is now obsolete. The traffic projections do not reflect the probability that North Bayshore employers will implement substantial work-from-home policies, which they will or won't do regardless of DPW's opinions. Remote work would provide far greater relief from the gridlocked conditions that formerly prevailed than feeble gestures like two-lane turn pockets or a center-running exclusive bus lane serving the 3% of North Bayshore commuters who might benefit from minimally shortening their work trips.

The North Bayshore Precise Plan is obsolete for another reason: it used the Level of Service method to evaluate intersection operations. After 50 years or more, the traffic engineering profession has recognized that LOS is not a suitable metric in cases where intersections are affected by congestion at downstream locations. This was clearly the case at Shoreline and Middlefield before 2020, and the use of LOS to evaluate it produced preposterous results. The pre-pandemic problems of Shoreline/Middlefield were caused by the Shoreline Gateway to Googleville, and no amount of tinkering at Middlefield can alleviate them. I have an extensive collection of videos to support those assertions, and would be happy to provide them to interested parties. Unfortunately, they are too bulky to be emailed, not Zoomable, and too long to present in a two or three-minute slot. But they are a lot more understandable than 600+ pages of technical cuneiforms.

I like trees as much as the next person. I need trees because I don't own a car, have to get around on foot, and don't want to burn my tootsies on hot pavement. But I have a more personal reason for opposing the two-lane turn pockets. They involve excavating around a 30-inch PG&E gas transmission line, which I believe is part of #132 of San Bruno infamy. I live about 100 yards from the excavation site and do not want myself and my humble home to go up in flames if the pipes are breached.

I strongly encourage City Council to uphold the PRC's recommendation regarding the Middlefield median trees. I encourage you to go further by quashing the two-lane turn pockets entirely. If the City is already on the hook for the project, just give the contractors their money and tell them to go away. It would be better to pay them to do nothing than to pay them to do harm. (OMG, that sounds like San Francisco. Have we sunk that far?)

Attached is a copy of my remarks to the PRC, with some subsequent minor revisions.

Thank you for your attention.

Joel Dean

Public Comments to PRC 9/8/21 (revised)

DPW's proposal to increase the number of trees removed to accommodate double left-turn pockets on Middlefield Road at Shoreline Boulevard represents a metastasis of a malignant project based on false data and failed concepts. It is an insult to present it to the PRC, it would insult the City Council to send it to them as is, and an insult to the public if the Council were to approve it.

The negative environmental impacts of tree removal are obvious: loss of cooling shade, carbon sequestration, aesthetic benefits, etc. The attached story from ABC news reveals how the health of residents, of neighborhoods -- primarily low-income ones -- without adequate tree cover is compromised. The vicinity of the subject project is already heavily paved over with wide traffic arteries, large parking lots, and single-family homes on small lots with two-car garages and driveways. The already limited tree cover is shrinking further by redevelopment of existing housing complexes at 1555, 777, 759 and 555 West Middlefield. We do not need to have the City of Mountain View add to the destruction. Speaking of destruction, if excavating the Middlefield median can compromise tree roots, it can also

compromise the gas transmission line which runs through there. There is no mitigating the damage that could do.

It is particularly galling to have this happen to support a project whose origins are murky and which has suspect justification. As of 2016, the Shoreline Boulevard Corridor Study referred to on page 1 of the staff memo was in preparation. At the same time, the North Bayshore Precise Plan was undergoing one of its plastic deformations. On July 26, 2016 I attended a community meeting hosted by Nelson\Nygaard, the consultants on the Corridor Study. I obtained printed copies of the slide show presented at the meeting. The slide of Shoreline at Middlefield did not show double left-turn pockets on either direction of Middlefield. Only six weeks later, on September 6, in seeking conceptual design approval for the reversible bus lane, DPW reported to the City Council that "An additional left turn will be added on both directions on Middlefield Road at Shoreline boulevard. This additional left turning capacity is a mitigation measure for the North Bayshore Precise Plan." So far, I have been unable to determine if the idea of double left-turn pockets sprouted sometime between July and September, or if Nelson\Nygaard was blindsided by the change, or if they were told to clam up about it so that DPW could spring it from ambush, as is their usual tactic.

While the germination of the double-left pocket is cloaked in fog, its justification can't be disguised anything but fiction.

In April, Mr. Albert Jeans contacted the City to inquire why the trees in the Middlefield median had been marked for removal. He noted that pre-pandemic official counts of left turns from eastbound Middlefield at Shoreline were low enough to be accommodated by the existing single-lane turn pocket. DPW Director Cameron replied:

"The City's construction plan for the project includes trying to preserve these trees, and only removing one or more of them if absolutely necessary. Adding the second left turn lane will intrude into the root system of these trees, and we will not know the extent of the intrusion until excavation begins. An arborist will evaluate the root systems once they are exposed to assess the viability of preserving the trees. The trees will only be removed if the arborist's determination is they cannot be preserved."

As of today, September 13, there is no sign that the medians have been excavated and the roots exposed. Someone should ask how the arborist was able to make a sweeping determination to

remove more trees than originally planned, or if the arborist was merely rubber-stamping a predetermined result.

Director Cameron wrote further:

"The traffic count data presented in your slides that lead to your conclusion that the average queue length was 7 cars is based on the assumption that the vehicle count is equal to vehicle demand. This intersection (and the entire Shoreline Blvd corridor) is in oversaturated condition during the AM and PM peaks. There are more vehicles that want to move through the intersection than are actually getting through and when the left-turn lane is full, the overflow can block the through lanes, which in turn can block vehicles further back in the through lanes that want to access the left turn lane. The count volumes are used as a basis for the analysis, but the actual analysis (under oversaturated conditions) is based on demand volumes. Demand volumes are developed by adjusting count volumes in a traffic analysis model to reflect observed field conditions. Using demand volumes, the average queue length is in fact much higher, and the maximum queue length during both the AM and PM peaks exceeds the turn pocket storage length. The proposed improvements increase intersection throughput by 10%, which ultimately results in reduced delay, queueing, and vehicle emissions."

There is much that is troubling in that paragraph:

(1) Vehicle count does in fact equal demand for every interval in which the queue at the beginning of the green signal phase clears before the light changes. Maximum counts of left- and U-turning vehicles from EB Middlefield in any 15-minute period were 43 in 2017 and 49 in both 2018 and 2019, and occurred beginning at either 8:15 or 8:30 AM. Evening peak counts were considerably lower. During peak 15-minute periods, there are six 2-1/2 minute signal cycles. There are more and shorter cycles off-peak. Thus, an average queue length of 7-8 vehicles in the turn pocket is reasonable. That many can clear the intersection within the 20 seconds of green time ordinarily given to protected left turns. The signal system is demand-responsive, so if there are a few more queued up than usual, a few seconds of green are added, and as many as 11 vehicles can make it through. When it is working properly, it works well, leaving no unsatisfied "demand vehicles." If there were any, they would show up in counts subsequent to the peak interval, which they do not. The existing left-turn pocket can hold 10 cars, and rarely backs up into the adjacent through lane. If it does, it is not caused by excessive demand, and isn't much of a problem, since (a) left-turning vehicles and those in the through lane have enough room to get out of each other's way; (b) left turns get a green light before through traffic does and will be clear of the

through lane by the time the light changes; and (c) peak period for left turns do not occur when congestion is at its worst at Shoreline and Middlefield.

(2) In some occupations, substituting quasi-information fabricated by a computer model for legitimate data would be considered professional misconduct.

(3) Shoreline at Middlefield was "saturated" with pre-pandemic traffic only because of backups from downstream intersections (Pear, Avenida, 101, 85, Terra Bella in the AM, Montecito in the PM) which brought movement to a halt and left vehicles unable to proceed through a green light -- or worse, caused vehicles to enter the intersection without being able to clear it. Without that, Shoreline would have capacity enough for considerably more traffic. There is no point in adding capacity to Shoreline at Middlefield, least of all for the puniest movement contributing to the congestion, unless the downstream obstacles are removed. Extensive work is planned to do just that on the North Bayshore side. Common sense says that those projects should be completed before wasting money and effort on solving a problem at Middlefield which does not exist and is less likely than ever to exist if the North Bayshore projects are successful.

(4) If it does not make sense to add capacity where it is not needed, it makes still less sense to take capacity away where it is needed. That is precisely what the City plans to do by converting Shoreline at Middlefield to a 'Dutch' intersection, where drivers will not be able to make right turns from the bike lanes, contrary to what the Vehicle Code tells them to do. The existing configuration of eastbound Middlefield at Shoreline allocates one lane to left and U-turns (2019 peak hour vehicle counts 138 AM, 89 PM), two to through traffic (280 AM, 497 PM), and one to right turns (96 AM, 273 PM). The 'Dutch' configuration allocates two lanes to lefts and U's (138 AM, 89 PM), two to through and rights (376 AM, 770 PM), and one to 9 cyclists in the AM, 11 in the PM). That is not likely to sit well.

Page 2 of the staff memo for agenda item 5.3 repeats much of Director Cameron's communication to Mr. Jeans, with the addition of some dubious assertions:

(1) Traffic is returning to pre-pandemic levels. That may be true in some places and at some times of day. But at Shoreline and Middlefield, peak hour traffic was about 75% Google, and with Google working from home, the intersection looks almost deserted during the former peak hours. 40% of Googlers working from home would leave traffic 30% below 2019 levels and there would be no congestion.

(2) "Staff's professional opinion" is that traffic will return to pre-pandemic levels despite hybrid work-from-home schedules. I expect Google to do whatever it wants without caring a fig about "Staff's professional opinion."

One final note: The most recent traffic study of the area was included in the Transportation Impact Analysis for the 555 West Middlefield housing project. It showed left-turn vehicle counts at EB Middlefield/Shoreline to be stable and not to increase appreciably for the foreseeable future. The consultant on that study did field observations and noted excessive left-turn queues on NB and SB Shoreline and WB Middlefield, but not on eastbound Middlefield. That doesn't seem to have penetrated DPW's consciousness. Very little does.

Thank you for your attention.

From: [Serge Bonte](#)
To: [Kamei, Ellen](#); [Matichak, Lisa](#); [Ramirez, Lucas](#); [Hicks, Alison](#); [Abe-Koga, Margaret](#); [Lieber, Sally](#); [Showalter, Pat](#)
Cc: [City Clerk](#); [McCarthy, Kimbra](#)
Subject: re: 9/14/21 Meeting Agenda Item 6.1 Rowhouse Development at 570 South Rengstorff Avenue
Date: Monday, September 13, 2021 4:17:04 PM

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Honorable Mayor and City Council Members:

First, I would like to thank the City Staff for belatedly providing more transparency on the application process as it pertains to SB 330 and BMR Phase II.

I hope that the same level of transparency will be provided for future projects coming for Council or other commissions' approval, I also hope that in the future all that information will be available via a transparent portal (similar to what Palo Alto offers).

As to the explanations provided for the grandfathering of this project, they actually raise some questions of their own;

- SB 330 Grandfathering

It is disheartening to read that the application was "deemed" complete due an administrative error (incompleteness letter not sent in time) when fighting displacement is a top priority for the City Council. The report also states that October 4, 2019 was the 30-day review mark for the application, but that period doesn't correspond to the 30 day review for grandfathering BMR Phase I; how many 30 day reviews can one application have? And how can an application be complete in an August 30-day review and not in an October 30-day review? Something doesn't compute and I hope you will ask for some explanations before voting on this project.

It is also hard to believe that a change in applicants would not trigger a brand new application; it defies common sense. I've had to file many applications in my life (college, mortgage, immigration -many times-....) and I can't imagine a situation where I could just let someone put their name on my applications without being expected to resubmit their own application.

-BMR Phase I Grandfathering

With the City's emphasis on getting more affordable housing, it is a shame that this project is grandfathered for Phase I BMR and to see the City losing over \$20M worth of in-lieu fees (assuming developer opting for fees vs. making 25% of units affordable). The timeline given in the staff report is confusing as the 30 day review period is different from the one for SB 330 ; again how many 30 day review periods can one application get? It is also hard to believe that the City didn't request any additional information for the applicant to return by August 2019. I hope you will solicit more explanation before voting on this project.

Due to so many procedural issues and because this project will reduce the affordable housing stock in Mountain View, I can't support staff recommendation to approve this project.

Sincerely,

Serge Bonte
Lloyd Way, Mountain View

PS: In the August 2021, Community Development Update; there was a mention that the same applicant (or similar entity) was appealing the City's incompleteness determination for a project at 282 E Middlefield Road

"Tentatively scheduled for a City Council public hearing on August 24, 2021 for the applicant's appeal of the City's determination that the development application is not complete." When will this hearing occur?

From: [Dorothy Schafer](#)
To: [Kamei, Ellen](#); [Alison Hicks](#); [Matichak, Lisa](#); [Ramirez, Lucas](#); [Abe-Koga, Margaret](#); [Lieber, Sally](#); pat.schowalter@mountainview.gov; [City Council](#)
Subject: Apartments on South Rengstorff Avenue
Date: Monday, September 13, 2021 4:51:56 PM

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Dear Council Members,

I encourage you to vote against demolishing the 70 rent controlled apartments at 570 South Rengstorff Ave. and then replacing them with market rate housing. I know you are more than aware of the need for low and middle income housing in the Mountain View area. It seem untenable to illuminate the few affordable housing opportunities that are now available.

We trust you will do what is best for those essential workers that keep our community going and depend on the availability of affordable housing.

Best regards and thank you for your continued service,
Ron and Dorothy Schafer
[REDACTED] Dana St.
Mountain View, CA 94041

From: [Gwen Smith](#)
To: [Kamei, Ellen](#); [Hicks, Alison](#); [Matichak, Lisa](#); [Ramirez, Lucas](#); [Abe-Koga, Margaret](#); [Showalter, Pat](#); [Lieber, Sally](#)
Cc: [City Council](#)
Subject: 570 South Rengstorff Agenda Item 6.1
Date: Monday, September 13, 2021 6:15:47 PM

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Dear Mayor and City Council Members,

At the City Council Meeting on Tuesday September 14th, you are being asked to approve the demolition of 70 rent-controlled apartments at 570 South Rengstorff - agenda item 6.1. These apartments are to be replaced with 85 market rate row houses. From my perspective this is a huge loss in terms of much needed affordable housing in our city. Why are you approving projects that take away affordable housing? Mountain View should be a city where restaurant workers, gardeners, and shop workers can live where they work.

My name is Gwen Smith and I am a long-time resident of Mountain View. I hope that you will say no to this project – it does not take into account affordable housing units. Thank you.

Sincerely – Gwen Smith

From: [Janet Werkman](#)
To: [Kamei, Ellen](#); [Ramirez, Lucas](#); [Abe-Koga, Margaret](#); [Matichak, Lisa](#); [Hicks, Alison](#); [Showalter, Pat](#); [Lieber, Sally](#); [City Council](#)
Subject: Re: Agenda Item 6.1 Rowhouse Development at 570 South Rengstorff Avenue
Date: Tuesday, September 14, 2021 1:04:24 AM

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September 14, 2021

Honorable Ellen Kamei, Mayor and Council Members Lucas Ramirez, Margaret Abe-Koga, Lisa Matichak, Alison Hicks, Pat Showalter, and Sally Lieber:

I am writing to ask the Council to reject the resolutions relating to conditional approval of the proposed development of 570 South Rengstorff Avenue. The project, if approved, would demolish 70 rent controlled rental housing units, to be replaced with 85 market rate rowhouses estimated to sell for an average of \$1.2 million. Approval of this project would contravene the City's goals of preserving affordable housing opportunities and responding to the displacement of low- and moderate-income residents. In addition to this vital public policy issue, the approval process for this project raises serious issues about compliance with state and city affordable housing requirements, as detailed below.

First, the City has reason to be concerned about whether the project is subject to a state law known as SB 330, which would require the developer to replace the demolished rent-controlled units with affordable units. The SB 330 requirements would apply if the application was deemed complete on or after January 1, 2020. According to the staff report, the developer submitted an application for this project prior to October 4, 2019, which did not meet the requirements to be "deemed complete," pursuant to SB 330. However, City staff neglected to notify the developer within 30 days that the application was incomplete or specify the additional information needed, as required by SB 330. The staff report concluded that as a result of the City's failure to give the developer timely notification, the application was deemed complete on October 4, 2019, by operation of law, and therefore not subject to SB 330. An apparent consequence of this error is that occupants of the demolished apartments could be deprived of their right of first refusal – pursuant to SB 330 – to obtain replacement units in the new project at an affordable housing cost. Given the gravity of the consequences, the City should review all relevant facts and seek a determination of the applicability of SB 330.

Second, the question of whether the project is subject to the City's Below-Market-Rate Phase II Ordinance has major significance because it would require 25% of the units to be offered at affordable prices. The key question is whether the developer provided all information requested by the City by the August 24, 2019, deadline and therefore qualified for exemption from the ordinance under a grandfather provision. The staff report states that an application was submitted prior to a June 30, 2019, application deadline and that the City's 30-day review letter noted application completeness and that no additional information was needed or requested to review the application

for purposes of the BMR ordinance. This statement appears to be inconsistent with a June 30, 2019, letter from the City Planning Division stating that application was incomplete and requesting extensive additional information, including details about the affordable housing program for the project, as well as substantial design revisions. In addition to the apparent inconsistency between the staff report and the city document, the City's lack of transparency with respect to this issue is cause for concern. In a September 12, 2021, letter urging Council to vote no on this project, the League of Women Voters of Los Altos-Mountain View Area reported that the City had not provided requested documentation relating to the exemption from the BMR Phase II requirements, hindering their review of the issue.

. The Council should vote no on these resolutions for conditional approval, based on the policy significance of this project in light of the City's shortage of affordable housing, the apparent procedural problems and legal questions, and the lack of full public disclosure.

Janet Werkman
■ Calderon Avenue
Mountain View

From: [Hargis, Nicholas](#)
To: [City Council](#); [Kamei, Ellen](#); [Ramirez, Lucas](#); [Lieber, Sally](#); [Matichak, Lisa](#); [Hicks, Alison](#); [Abe-Koga, Margaret](#); [Showalter, Pat](#)
Cc: [Robins, Brennan](#)
Subject: Letter from Congresswoman Eshoo regarding Item 7.1
Date: Monday, September 13, 2021 3:48:06 PM
Attachments: [Letter from Congresswoman Eshoo regarding Item 7.1.pdf](#)

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Good afternoon Council,

I hope you're doing well. Attached please find a letter from Congresswoman Eshoo regarding Item 7.1.

Best regards,
Nicholas Hargis

Nicholas C. Hargis
Field Representative
Congresswoman Anna Eshoo
698 Emerson Street
Palo Alto, California 94301
(202) 603-1001

Click [here](#) to sign up for Rep. Eshoo's Weekly Newsletter



*Congress of the United States
House of Representatives
Washington, D.C. 20515*

*Anna G. Eshoo
Eighteenth District
California*

September 13, 2021

The Honorable Ellen Kamei, Mayor
City of Mountain View
500 Castro Street
Mountain View, California 94041

Dear Mayor Kamei and Members of the City Council,

Thank you for your response to my previous letter of March 1st and for your painstaking work to provide protections for our many Mountain View constituents living in mobile home parks. Many constituents have contacted me regarding De Anza Properties, the owner of Sahara Village and Santiago Village Mobile Home Parks, having responded to the Council's proposed mobile home rent control ordinance by terminating its commitment to keep rent increases at or below the level of inflation.

This unilateral decision will negatively impact hundreds of Mountain View residents and signals the need for renewed partnership between all parties involved to prevent a displacement crisis from occurring.

In response to the concerns that constituents have shared with me, I encourage all parties involved to come together to find a solution that is agreeable to all the stakeholders and avoid the potential loss of affordable homes. I support our mutual constituents who have called for swift action to prevent displacement of residents, and I stand ready to work with the City on this issue.

Thank you again for your support of our mutual constituents, and as always, whenever I can be of assistance to you and the City, just let me know.

Most gratefully,

Anna G. Eshoo
Member of Congress

cc: The Honorable Members of the Mountain View City Council
De Anza Properties
Mountain View Mobile Home Alliance
Project Sentinel

From: [Sun Bingfa](#)
To: [City Council](#)
Subject: (Sahara Mobile Village) Mobile Home Park owner's notice
Date: Monday, September 13, 2021 4:23:58 PM

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Dear City Council,

I'm a resident at Sahara Mobile Village in the City of Mountain View.

I'd like to raise your awareness and express my concern regarding a recent notice sent to all residents in Sahara Mobile Village by the park owner. See the attached photo of the notice for details. In short, the owner states due to the rent control regulations by the State and City, the owner is going to terminate his original 10 year commitment and begin "exploring all of its options", including increasing space rent and selling park-owned homes.

Myself and many neighbors are concerned that the owner seems to have absolute unilateral power to make and terminate rules and plans, and this recent notice put our living conditions into a lot of uncertainties.

Most of the residents, including myself in Sahara Village are working families with children in schools or retired seniors. Either owning (paying space rent) or renting the home in the park, our financial margins are thin as well as our alternatives in housing, making us especially vulnerable to the potential instability. A major increase in space rent will result in unaffordable rents and decrease in home values, and selling park-owned homes may result in displacement of families and retired seniors.

We strongly urge the city council to act to protect the rights and interests of homeowners and renters at Sahara Village and possibly other mobile home parks in the city. We are looking for constructive options to deliver financial and housing stability for mobile home residents.

If you have further questions, please feel free to contact me via email or reach me at [REDACTED]

Sincerely,
Bingfa Sun

SAHARA VILLAGE MHP
191 El Camino Real
Mountain View, California 94040
Telephone: (650) 968-7891

MEMORANDUM RE: TERMINATION OF 10 YEAR PLAN

TO: Homeowners, Residents and Tenants at Sahara Village MHP
FROM: Management
SUBJECT: Termination of Parkowner's Ten Year Plan
DATE: August 26, 2021

On January 28, 2021, management made a commitment to (1) limit annual rent increases to the increase in the inflation rate, (2) establish a rent subsidy program for qualifying low income tenants, and (3) keep the park open for at least ten years, *provided* rent control or other restrictions on rent were not placed on the property by any public entity, including the federal, state or local government.

The parkowner has honored each and every one of the commitments made in its January 28, 2021 memorandum, including limiting annual rent increases to the *amount allowed* under the Mountain View rent control ordinance for apartments. In fact, in some cases, the parkowner has increased rents less than the amount allowed under the Mountain View ordinance for apartments.

The state of California has recently adopted rent controls for mobilehome parks. In addition, the City of Mountain View is considering additional controls, that would be even more restrictive than the new California law.

As the parkowner's ten year plan was offered as an alternative to rent control, the parkowner is hereby withdrawing the commitments made in its January 28, 2021 memorandum, including the rent subsidy program for low income tenants. Although no final decisions have been made, the parkowner must begin exploring all of its options, including (1) applying for whatever rent increases it is entitled to under local, state and federal law, and (2) selling its park owned mobilehomes and/or removing them from the rental housing market.

From: [Michael L. Mehr](#)
To: [City Council](#); [City Clerk](#); [Matichak, Lisa](#); [Abe-Koga, Margaret](#); [Kamei, Ellen](#); [Showalter, Pat](#); [Hicks, Alison](#); [Lieber, Sally](#); [Ramirez, Lucas](#); [Neighborhoods](#); [Hellman-Tincher, Micaela](#)
Subject: Mountain View Mobile Home Ordinance
Date: Tuesday, September 14, 2021 6:28:56 AM

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Dear Council Members and other interested parties,

I came to California in 1976, to go to Stanford for graduate school. By July 1978, I had started my computer engineer career and had moved into my current address here at Santiago Villa. I have enjoyed my life here in Mountain View ever since, and even started a software consulting business here on the side. I've paid my business license fees, have enjoyed the benefits of citizenship, and am greatly appreciative of my affordable housing here. I look around me and see how the city has become less and less affordable for so many, both the fixed income residents like I see in my neighborhood, and the essential workers who provide so many services to the city but can no longer afford to live here, where they have made their homes so long.

Santiago Villa and the other mobile home parks of Mountain View provide a much-needed affordable housing bloc that we can not afford to let go into oblivion due to greedy practices of the park owners. I have experienced my own management here offer a ten-year plan of rent control of their own, but when the City continued to work for their own solution, as you are about to review tonight, they withdrew their offer with thinly-veiled threats to raise rents to above \$2000 per month, and to outright sell all its rented spaces. I currently pay around \$1100, which I appreciate to have seen steady increases over the years at 2-4% annually. This abrupt change in policy at a whim is the kind of thing that the new Ordinance would rein in, as well as similar excesses and practices by the park management. Such protections are in place in many other communities around the state, and it is time for Mountain View to join them.

We cannot afford to let our mobile home parks put the squeeze on their residents like this. I believe in fair exchange and am fine with continuing the rent increases at the levels we have seen in the past. But the gouging that is proposed is not acceptable, and I should think that the Council would be quick to move to protect us all from this misbehavior.

Mountain View's other renting residents are protected by the CSFRA. I look forward to hearing that you have deliberated and adopted a fair and equitable ordinance to provide similar protections for mobile home owners and renters, as well.

Thank you for reading.

Sincerely,

Michael L. Mehr

SF Lesbian/Gay Freedom Band, now the Official Band of the City and County of San Francisco, celebrating **our 43rd Anniversary year**:
See www.sfgfb.org / www.facebook.com/sfgfb / www.sfgfb.org/bios/mike-mehr (my bio on the band site)

From: [Frank Kalcic](#)
To: [Kamei, Ellen](#); [Ramirez, Lucas](#); [Abe-Koga, Margaret](#); [Hicks, Alison](#); [Lieber, Sally](#); [Matichak, Lisa](#); [Showalter, Pat](#); [City Council](#)
Subject: Council Agenda item 7.1 Opposition to Rent Control Ordinance
Date: Tuesday, September 14, 2021 8:28:45 AM
Attachments: [Sunnyvale MOU Accord- Supplemental Lease Agreement Internal Draft 8.23.pdf](#)
[SUNNYVALE MOBILEHOME PARK ACCORD AND DECLARATION OF RESTRICTIVE COVENANTS 8.23.pdf](#)

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Dear Mayor Kamei & Councilmembers:

Upon review of the staff report regarding the introduction of a rent control ordinance, I wished to communicate a number of items that warrant a bit of further perspective.

While citing the Sunnyvale mobile home MOU, the report does not provide a comprehensive analysis of Sunnyvale's MOU, and through oversimplification paints a picture that erroneously indicates an MOU would be inferior to an Ordinance.

An MOU is another form of stabilization. It is a recorded agreement between the City and community owners that specifically outlines the financial terms during the life of the agreement. The MOU is further reinforced by a lease agreement between the resident and community owner. In the case of the Sunnyvale MOU, enforcement of violations would be done by the city, it is not left to the residents.

An MOU is mindful in advance, as the same terms such as annual adjustments, turnover adjustments, capital pass throughs (expenditure, improvement and taxes) are considered by all parties.

Rent control ordinances by their very nature rely heavily upon an ongoing contentious process of petition review to ensure compliance with a fair rate of return. The MOU is honest in its approach in looking at the same monetary details as an ordinance, yet creates a balance that is known up front by all parties. This knowledge can provide both residents and community owners a stability in the community that rent control cannot. MOU's offer durable long lasting protections.

The staff report further goes on to provide recommendations on effective date and fiscal impact.

With respect to effective date, staff notes an effective date of March 16, 2021 to prevent "beat the clock" increases. Staff offers no evidence of any communities doing so. Conversely communities that have limited increases to no more than once a year and have a schedule that is post March 2021 are penalized. In the case of Sunset Estates, no annual increase was taken in 2020 in an effort to assist residents during the uncertainty brought about by the pandemic. We were not the only community to do so.

The staff's report to council is silent on the topic of fiscal impact in that it does not ask for council direction on how it is to be self-sustaining. Namely, it does not specify the source of the funding. Any rent control ordinance that exists for the benefit of a party should be financially supported by the party. Even a modest rent control budget of \$750,000 to \$1MM per year would result in an expense of over \$70 per space per month. That is a significant number that we should all be concerned about. An MOU would have a minimal initial expense and would eliminate the significant and ongoing expense of rent control.

I have attached the final draft of the Sunnyvale MOU and its associated lease agreement for your review. As a well thought out document with input from all viewpoints, it can serve as a template or an advanced starting point for Mountain View to build upon.

An MOU is a step forward, providing stability to all of those in a mobilehome community. It can

provide stability and peace of mind, which leads to a positive living experience.
Thank you for your consideration.

Frank Kalcic

Managing Partner Sunset Estates MHP

MODEL SUPPLEMENTAL LEASE AGREEMENT ADDENDUM

[Insert Name of Park Owner] ("Owner") and _____ ("Homeowner") agree as of _____, 2021 to the terms and conditions set forth in this Supplemental Lease Agreement Addendum ("Addendum") herein which amends and supplements the currently existing [Lease] or [Rental Agreement] dated _____ ("Agreement") for Space _____ ("Space") at the _____ [Insert Park] ("Park") previously entered into by the Owner and Homeowner. Homeowner is the owner of a mobile home which is located on the Space.

ACKNOWLEDGEMENT: Homeowner and Owner acknowledge and agree that this Addendum modifies the provisions of the Agreement regarding the manner in which rent increases are computed including rent increases upon Homeowner's sale of the mobile home and the amount and method by which certain costs can be passed through to the Homeowner by the Owner. This Addendum is being offered to the Homeowner by Owner in accordance with the terms of that certain Memorandum of Understanding dated _____ ("MOU") entered into by Owner with the City of Sunnyvale pursuant to which Owner agreed to certain limitations on rent increases and pass through of costs to Homeowner. In the event of any conflict between this Addendum and the MOU, the MOU shall prevail. All provisions of the Agreement not otherwise amended by the Addendum shall remain in full force and effect.

1. Definitions.

- a. **"Anniversary Date"** means _____, the calendar date of the last Base Rent increase for the Space.
- b. **"Base Rent"** means the rent for the Space exclusive of utilities and other separate itemized charges in effect pursuant to the Agreement, as adjusted by any Base Rent Increase allowed under the MOU during the term of the MOU. Base Rent as of the date of this Addendum is _____.
- c. **"Capital Improvement"** means any improvement other than one made for purposes of maintenance and repair completed after the MOU Effective Date, which (i) materially adds to the value of the Park, (ii) which primarily benefits the residents of the Park, (iii) which is permitted to be amortized over the useful life of the improvement under the U.S. Internal Revenue Code or under generally accepted accounting principles, and (iv) which has been approved by a majority of the residents in the Park pursuant to a written ballot provided to the residents at least thirty (30) days prior to the date ballots are due and with each space in the Park having one vote.
- d. **"Capital Replacement"** means replacement of an existing capital improvement which is completed after the MOU Effective Date, which qualifies under the U.S. Internal Revenue Code and applicable regulations, as a capital improvement and does not constitute maintenance and repair. Capital Replacements shall not include replacements of the

gas or electric systems serving the Park but shall include replacements to the water and sewer systems.

e. **"CPI"** means the Consumer Price Index -All Urban Consumers for the San Francisco/Oakland/Hayward region, published by the United States Department of Labor, Bureau of Labor Statistics. If the 1982-84 base period or the CPI is changed during the term of this MOU, the CPI used shall be converted according to any conversion factor provided by the Bureau of Labor Statistics. If the CPI is discontinued then any successor Consumer Price Index of the United States Bureau of Labor Statistics, or successor agency thereto, which includes Santa Clara County shall be used, unless there is a successor index that includes the City of Sunnyvale, in which case the successor index that includes the City of Sunnyvale shall be used.

f. **"Disaster Related Event"** shall mean a sudden event resulting from earthquake, fire, flood, or other natural occurrence over which the Owner has no reasonable control, and which was not caused by the Owner's acts or negligence.

g. **"Government Fees and Assessments"** shall mean any fee, assessment or other charge imposed by the City of Sunnyvale, the County of Santa Clara, the state or federal government upon the Park or the Space and shall include any monetary amounts assessed against the Owner for non-real estate (i.e. non-Property) taxes, fees, assessments, bonds, or bond-related costs required or mandated by any governmental body or agency, including but not limited to the City of Sunnyvale, the County of Santa Clara, the State of California or the United States of America.

h. **"MOU Effective Date"** means _____, 2021 the effective date of the MOU.

i. **"MRL"** means the California Mobilehome Residency Law, beginning with Section 798 of the California Civil Code.

j. **"Mobile Home"** shall have the meaning set forth in Civil Code Section 798.3.

k. **"Prime Rate"** shall mean the prime rate charged by Bank of America, NT & SA to its most credit worthy borrowers.

l. **"Property Taxes"** shall mean any and all general and special real estate taxes and personal property taxes which are levied or assessed against the Park. Property taxes shall include any tax or excise on rents, or any other tax, however described, which is levied or assessed against the Park as a direct substitution, in whole or in part, for any real property taxes.

m. **"Transfer"** means any transfer of legal title or ownership to the Mobile Home except for the following:

i. The transfer of a Mobile Home to the surviving joint tenant by devise, descent, or operations of law on the death of the joint tenant;

- ii. A transfer of the Mobile Home to the spouse or domestic partner of the Homeowner;
- iii. A transfer of the Mobile Home resulting from a decree of dissolution of marriage, legal separation or from an incidental property settlement agreement by which the spouse becomes the owner of the Mobile Home;
- iv. A transfer to an inter vivos trust in which Homeowner is and remains the trustee or beneficiary and occupant of the Mobile Home; and
- v. A transfer to a person who does not qualify as a "homeowner" for purposes of the MRL and who does not have, and/or will not receive a "tenancy" in the Park for purposes of the MRL.

2. **Annual Increase to Base Rent.** Homeowner shall continue to pay the Base Rent for the Space established pursuant to the Agreement as of the date of this Addendum until the Owner provides the Homeowner with a rent increase notice in accordance with Civil Code Section 798.30 but in no event shall any rent increase be effective before the Anniversary Date. As of the Anniversary Date and on each Anniversary Date thereafter, the Owner may increase the Base Rent by no more than the greater of seventy-five percent (75%) of the increase in the CPI, or three percent (3%), using the most recently published CPI data for the twelve month period prior to the notice of rent increase.

3. **Increase to Base Rent Upon Transfer.** Upon Transfer of the Mobile Home by the Homeowner, Owner may increase Base Rent as follows:

a. If the Transfer occurs on or before the first anniversary of the MOU Effective Date, the Base Rent may not be increased more than five percent (5%) above the Base Rent immediately prior to the effective date of the Transfer.

b. If the Transfer occurs after the first anniversary of the MOU Effective Date but before the second anniversary of the MOU Effective Date, the Base Rent may not be increased more than ten percent (10%) above the Base Rent immediately prior to the effective date of the Transfer.

c. If the Transfer occurs on or after the second anniversary of the MOU Effective Date, the Base Rent may not be increased more than fifteen percent (15%) above the Base Rent immediately prior to the effective date of the Transfer.

d. **To be included in Addendum for Plaza Del Rey:** Notwithstanding anything set forth in this Section 3, the Owner agrees that in no event will Homeowner's Base Rent be increased upon a Transfer to an amount that exceeds Two Thousand Two Hundred Fifty

Dollars (\$2,250) as that amount is increased each year during the Term of the MOU by the Annual Base Rent Increase amount unless the Base Rent exceeded Two Thousand Two Hundred Fifty Dollars (\$2,250) before the Transfer. Nothing herein shall require the Owner to reduce any Base Rent that may exceed Two Thousand Two Hundred Fifty Dollars (\$2,250) as of the MOU Effective Date or the date of Transfer.

e. Notwithstanding anything set forth in this Section 3, Owner shall not be subject to any limitation on Base Rent increases in the event of a Transfer that is the result of (i) a true vacancy, where the Homeowner voluntarily surrenders possession of the Space and removes the Mobile Home from the Park; (ii) the Mobile Home being abandoned in accordance with Civil Code Section 798.61; (iii) the Homeowner being evicted as evidenced by entry of a judgment or a stipulation and order in an unlawful detainer proceeding; (iv) the Mobile Home being sold to a dealer as defined in Health and Safety Code Section 18002.6; or (v) the Mobile Home being repossessed by a legal owner or lien holder.

4. **Pass Through Adjustments to Base Rent.** In addition to the increases in Base Rent authorized in Sections 2 and 3 above, Owner may pass through to the Homeowner the following costs ("Pass Throughs").

a. Government Fees and Assessments. If the cost of Government Fees and Assessments in any fiscal tax year exceeds the cost for any such Government Fees and Assessments in the prior fiscal tax year by more than the CPI increase, the Owner may pass through such increase to the Homeowner. The amount of any Government Fees and Assessments Pass Through shall be the total annual amount of such increase in the Government Fees and Assessments divided by twelve (12) and then divided by the total number of spaces in the Park.

b. Capital Improvements. The Owner may pass through to the Homeowner the actual cost of any Capital Improvement plus interest on the cost at the actual rate of interest paid by the Owner for any financing associated with the Capital Improvement amortized over the applicable amortization period in accordance with the U.S. Internal Revenue Code divided by twelve (12) and then divided by the total number of spaces in the Park. Any Capital Improvement Pass Through shall be eliminated as a rent obligation at the conclusion of the amortization period.

c. Capital Replacements. The Owner may pass through to the Homeowner the amortized cost of any Capital Replacement in accordance with the following.

i. Prior to implementing any Capital Replacement Pass Through, except a Capital Replacement necessitated by an emergency, the Owner must: (A) provide the Homeowner with advance notice of the proposed Capital Replacement and an opportunity to comment on the need, design, and conduct of the work; (B) solicit at least two bids for the Capital Replacement work and (C) award the contract to the lowest bidder or provide an

explanation to the Homeowner if the Homeowner so requests why the contractor without the lowest bid was selected.

ii. The amount of any Capital Replacement Pass Through, including a Capital Replacement necessitated by an emergency, shall be determined by subtracting from the actual cost of the Capital Replacement any insurance proceeds, rebates, tax credits or warranty payments received by the Owner defraying the costs of the Capital Replacement and amortizing the remaining cost of the Capital Replacement plus interest at either the actual rate of interest paid by the Owner for any financing associated with the Capital Replacement or the Prime Rate plus two percent (2%) over the applicable amortization period in accordance with the U.S. Internal Revenue Code. The amount of the Capital Replacement Pass Through shall be the annual amortized amount determined in accordance with this subsection divided by twelve (12) and then divided by the total number of spaces in the Park.

iii. Any Capital Replacement Pass Through shall be listed separately from the Base Rent on monthly Space rent billings and shall be eliminated as a rent obligation at the conclusion of the amortization period.

iv. Notwithstanding anything set forth above in this subsection c, Owner shall be allowed a Capital Replacement Pass Through for Capital Replacements that were commenced and completed prior to the MOU Effective Date, as long as (i) the Capital Replacement was completed no earlier than six (6) months prior to the MOU Effective Date; (ii) the cost of the Capital Replacement has not already been passed through to the Homeowners; (iii) the Capital Replacement Pass Through amount is determined in accordance with the requirements of subsection c(ii) above; and (iv) the Capital Replacement was listed in Exhibit D of the MOU between the Owner and the City.

d. Property Tax Increases. The Owner may pass through to the Homeowner the amount by which Property Taxes increase in any given fiscal tax year by more than two percent (2%) over and above existing Property Taxes, subject to the following.

i. A Property Tax Pass Through may be imposed in the amount of any Property Tax increase that exceeds two percent (2%) in a given fiscal tax year that is caused by an involuntary Property Tax reassessment including but not limited to a death of a person holding an ownership interest in the Park or as the result of any new general or special real estate property tax imposed by the City of Sunnyvale, the County of Santa Clara, or the State of California.

ii. If the Park is sold to a third party pursuant to an arms-length transaction, the Owner may pass through to the Homeowner the increase in Property Taxes resulting from a reassessment of the Park upon such sale to the extent that such increase exceeds two percent (2%) in a given fiscal tax year, provided, however, the total amount of any Property Tax Pass Through resulting from a sale shall be phased in over five (5) years with equal increases each year until the full amount of the Property Tax Pass Through has been implemented. **[To be added to Plaza del Rey Addendum: The Property Tax Pass Through allowed pursuant to this section d(ii) shall include the amount of the Property Tax increase**

that resulted from the most recent sale of the Park occurring prior to the MOU Effective Date.]

iii. Owner shall not be entitled to any Property Tax Pass Through due to an increase in Property Taxes which is triggered solely by or based upon a voluntary internal reorganization of the Owner that is considered a "change of ownership" or a transfer of a joint venture or partnership interest among the current persons holding an ownership interest that triggers a reassessment of the Park.

iv. The amount of the Property Tax Pass Through paid by the Homeowner shall be the total annual amount of the Property Tax Pass Through allowed divided by twelve (12) and then divided by the total number of spaces in the in the Park.

e. Disaster Related Event Costs. Owner may pass through to the Homeowner any costs to repair damage to the Park arising from any Disaster Related Event in excess of the initial fifty thousand dollars (\$50,000) of such costs, provided such costs are amortized in accordance with the procedure for amortizing Capital Replacements under section 4.c above and such costs are divided equally among all spaces in the Park. Any Disaster Related Event costs passed through to the Homeowner shall be net of any insurance proceeds or disaster grants or assistance received by the Owner for such costs. Owner shall not be entitled to pass through to the Homeowner any Disaster Related Event costs unless the Owner has continued to maintain throughout the term of the MOU the types and amounts of property insurance in effect on the MOU Effective Date if those types and amounts of property insurance are commercially available throughout the term of the MOU, at the same price in effect on the Effective Date, adjusted each year by the increase in the CPI. If those types and amounts of property insurance are not commercially available throughout the term of the MOU, at the above described price, Owner reserves the right, in its sole and absolute discretion, to purchase whatever property insurance it deems reasonable for the Park. Owner shall disclose Owner's property insurance coverage to Homeowner if Homeowner so requests, provided however, no Homeowner shall be entitled to such disclosure more than once in any twelve (12) month period.

f. Requirements applicable to all Pass Throughs.

(i) No Pass Through shall be implemented unless Owner gives the Homeowner ninety (90) days written notice of the Pass Through including documents evidencing the costs being passed through to the Homeowner and the calculations that serve as the basis for the Pass Through.

(ii) Pass Throughs shall be separately stated in the monthly space rent bills

(iii) Pass Throughs shall be considered the same as rent for purposes of the MRL, however, Pass Throughs shall not be deemed part of Base Rent for purposes of calculating the Annual Base Rent Increase pursuant to Section 2 or the increase in Base Rent upon Transfer pursuant to Section 3 above.

EXECUTED as of the date first written above:

HOMEOWNER:

(Signature)

Print Name

(Signature)

Print Name

OWNER:

By: _____

Its: _____

DRAFT

RECORDING REQUESTED
BY:

CITY OF SUNNYVALE

WHEN RECORDED MAIL
TO:

CITY OF SUNNYVALE

Fee Exempt: Government Code Section 27383

**ATTN: COMMUNITY
DEVELOPMENT
DEPARTMENT**

APN:

**MOBILEHOME PARK MEMORANDUM OF UNDERSTANDING
AND DECLARATION OF RESTRICTIVE COVENANTS**

THIS MOBILEHOME PARK MEMORANDUM OF UNDERSTANDING AND DECLARATION OF RESTRICTIVE COVENANTS (the "MOU ") is entered into as of _____, 2021 ("Effective Date") by and among the CITY OF SUNNYVALE (the "City"), a California chartered municipal corporation, and the owners ("Owners") of the mobile home parks ("Parks") identified on Exhibit A. Each individual Owner of a park will execute a similar version of the MOU. This copy of the MOU is executed by the Owner of that Park commonly known as:

[name of mobile home park ("**Park**")]

RECITALS

A. The City adopted a Housing Strategy in October 2020 that addressed a variety of housing issues confronting the City. The goal of the strategy is to identify potential improvements to existing housing programs as well as approaches to increase the affordable housing stock and improve housing affordability in the City, including the preservation of mobile home parks as an important housing resource to the City.

B. Mobile homes account for 6.3% of the City's housing stock. Based on American Community Survey data, residents of mobile homes tend to have high homeownership rates while also having incomes that on average are significantly below the City average incomes suggesting that mobile homes provide a relatively affordable home ownership option.

C. It is uncommon for mobile homes, once placed in a mobile home park, to be moved due to the high moving costs and the lack of alternative sites. The immobility of

mobile homes coupled with the cost of purchasing the mobile home makes unexpected space rent increases particularly harmful to mobile home residents.

D. The City desires to protect the Homeowners from unreasonable space rent increases while at the same time recognizes the need for mobile home park Owners to receive a just and reasonable income sufficient to cover the operating costs and receive a reasonable return on investment.

E. The Housing Strategy identified as a priority strategy the negotiation of a memorandum of understanding/accord pursuant to which park owners would voluntarily regulate annual rent increases, rent increases upon sale of the mobile home, pass through of certain costs and other matters to provide certainty to homeowners and mobile home park owners. The memorandum of understanding/accord is an alternative to the City adopting a rent stabilization ordinance.

F. The City has facilitated discussions between the Owners and Homeowners to determine the terms of the MOU holding approximately fifteen meetings that included separate meetings with the Owners and the Homeowners as well as joint meetings with all stakeholders.

G. The Owners contend that as many as 80% of the mobile home spaces in Sunnyvale are subject to long term leases that extend beyond January 1, 2025 which under current Civil Code Section 798.17 would be exempt from any local rent stabilization ordinance until at least January 1, 2025.

H. Each Owner has independently established rents at its Park, including the rent each Owner charges following a change in tenancy at its Park. Once rented to a new tenant, all or most of the Owners have kept their rents at below market rates, especially those spaces that are occupied by long term residents. All or most of the Owners intended to increase those rents to market when the current resident moved out and a new tenant moved in.

I. The Owners contend that if a rent stabilization ordinance were enacted, some or all of the Owners would have the right to apply for a "Vega adjustment" to increase below market rents to reflect general market conditions and that the Owners would have a right to apply for individual rent increases as necessary to maintain a fair return on the Parks.

J. In order to avoid the negative consequences of a rent stabilization ordinance, including potential costly litigation and to maintain cordial relationships with their tenants, the Owners have agreed to attempt to negotiate a memorandum of understanding with the City that will (1) apply the provisions of this MOU to all existing tenants including amending the rent increase provisions in any existing long term lease to conform to the terms of this MOU; and (2) waive any right an Owner would have had under a rent stabilization ordinance to apply for a Vega adjustment or an individual rent increase to maintain a fair return.

K. This MOU: (1) is intended to operate as an alternative to a rent stabilization ordinance; (2) avoid excessive rent increases for the spaces in the Parks; and (3) is intended by the City to provide the Owners with the opportunity to receive a reasonable return on their investment in the parks.

L. The City and Owners intend that this MOU will govern the Parks and the rights of the Owners and Homeowners in those Parks (who are third party beneficiaries) during the Term and provide protections and benefits to the Owners and Homeowners of those Parks. The real property comprising the above-named Park is set forth in Exhibit C and this MOU shall be recorded against that real property until such time as this Agreement expires or terminates.

M. The Owners and the City acknowledge that the parties may discuss potential modifications to this MOU at any time during the term of this MOU, provided such modifications will be subject to approval by the City Council and the Owners.

N. The City and the Owners agree that these Recitals are for informational purposes only and that in the event of any future dispute between the City and one or more Owners, these Recitals shall not be binding. However, in the event of such a dispute, nothing herein shall preclude either the City or the Owner from presenting evidence to prove the existence of any fact in these Recitals.

AGREEMENT

NOW, THEREFORE, for the consideration of the mutual benefits, promises, and other valuable consideration identified herein, the receipt of which is hereby acknowledged, City and Owner agree as follows:

1. DEFINITIONS

a. **"Anniversary Date"** means the calendar date of the last Base Rent increase for a Space at the Park prior to the Effective Date of this MOU. For example, if the Base Rent for a Space at the Park was last increased on December 1, 2020, the Anniversary Date for that Space during the term of this MOU will be December 1.

b. **"Base Rent"** shall be the rent for each Space in the Park occupied by a Homeowner exclusive of utilities and other separate itemized charges in effect pursuant to any lease or rental agreement between the Homeowner and the Owner as of the Effective Date of this MOU, as adjusted by any Base Rent Increase allowed under this MOU during the term of this MOU.

c. **"Capital Improvement"** means any improvement other than one made for purposes of maintenance and repair completed after the Effective Date, which materially adds to the value of the Park, which primarily benefits the residents, and which is permitted to be amortized over the useful life of the improvement under the U.S. Internal Revenue Code or under generally accepted accounting principles.

- d. **"Capital Replacement"** means replacement of a previous capital improvement which is completed after the Effective Date, which qualifies under the U.S. Internal Revenue Code and applicable regulations, as a capital improvement and does not constitute maintenance and repair. Capital Replacements shall not include replacements of the gas or electric systems serving the Park but shall include replacements to the water and sewer systems.
- e. **"CPI"** means the Consumer Price Index -All Urban Consumers for the San Francisco/Oakland/Hayward region, published by the United States Department of Labor, Bureau of Labor Statistics. If the 1982-84 base period or the CPI is changed during the term of this MOU, the CPI used shall be converted according to any conversion factor provided by the Bureau of Labor Statistics. If the CPI is discontinued then any successor Consumer Price Index of the United States Bureau of Labor Statistics, or successor agency thereto, which includes Santa Clara County shall be used, unless there is a successor index that includes City of Sunnyvale, in which case the successor index that includes the City of Sunnyvale shall be used.
- f. **"Disaster Related Event"** shall mean a sudden event resulting from earthquake, fire, flood, or other natural occurrence over which the Owner has no reasonable control, and which was not caused by the Owner's acts or negligence.
- g. **"Effective Date"** means the date of this MOU set forth on page 1.
- h. **"Government Fees and Assessments"** shall mean any fee, assessment or other charge imposed by the City, the County of Santa Clara, the state or federal government upon the Park or the Space and shall include any monetary amounts assessed against the Owner for non-real estate (i.e., non-Property) taxes, fees, assessments, bonds, or bond-related costs required or mandated by any governmental body or agency, including but not limited to the City of Sunnyvale, the County of Santa Clara, the State of California or the United States of America.
- i. **"Homeowner"** shall have the meaning set forth in Civil Code Section 798.9.
- j. **"MRL"** means the California Mobilehome Residency Law, beginning with Section 798 of the California Civil Code.
- k. **"Mobile Home"** shall have the meaning set forth in Civil Code Section 798.3.
- l. **"Prime Rate"** shall mean the prime rate charged by Bank of America, NT & SA to its most credit worthy borrowers.
- m. **"Property Taxes"** shall mean any and all general and special real estate taxes and personal property taxes which are levied or assessed against the Park. Property taxes shall include any tax or excise on rents, or any other tax, however

described, which is levied or assessed against the Park as a direct substitution, in whole or in part, for any real property taxes.

n. **"Space"** shall mean a space or lot in the Park rented to a Homeowner and upon which is located a Mobile Home.

o. **"Transfer"** means any transfer of legal title or ownership to a Mobile Home except for the following:

(1) The transfer of a Mobile Home to the surviving joint tenant by devise, descent, or operations of law on the death of the joint tenant;

(2) A transfer of the Mobile Home to the spouse or domestic partner of the Homeowner;

(3) A transfer of the Mobile Home resulting from a decree of dissolution of marriage, legal separation or from an incidental property settlement agreement by which the spouse becomes the owner of the Mobile Home;

(4) A transfer to an inter vivos trust in which Homeowner is and remains the trustee or beneficiary and occupant of the Mobile Home; and

(5) A transfer to a person who does not qualify as a "homeowner" for purposes of the MRL and who does not have, and/or will not receive a "tenancy" in the Park for purposes of the MRL.

2. SUPPLEMENTAL LEASE AGREEMENT.

a. **Obligation to Make Offer.** Except as provided below, Owner shall, within thirty (30) days of the Effective Date of the MOU, offer all existing Homeowners an amendment to their existing lease or rental agreement consistent with the terms of this MOU and substantially in the form set forth in the Model Supplemental Lease Agreement Addendum attached hereto as Exhibit B and made a part hereof by this reference, which upon acceptance by the Homeowner will amend any existing lease or rental agreement covering the Homeowner's space in the Park. If the Homeowner fails to sign the Model Supplemental Lease Agreement Addendum within sixty (60) days after the date upon which a copy is delivered by the Owner, the Owner may continue to enforce the terms of any existing rental agreement or lease for the Space. Owner shall deliver with the Model Supplemental Lease Agreement Addendum any informational material prepared by and provided to the Owner by the City explaining the terms of this MOU or the Model Supplemental Lease Agreement Addendum provided such materials are clearly identified as being prepared by the City and do not constitute any representation of the Owner.

b. During the term of this MOU a rental agreement containing terms consistent with the Model Supplemental Lease Agreement Addendum shall be offered to all existing Homeowners upon expiration of the existing lease or rental agreement and to all prospective Homeowners prior to occupying a Space in the Park.

c. Exceptions to Obligation to Make Offer. Park owned Mobile Homes are exempt from this MOU. Accordingly, Owner is not obligated to offer a Model Supplemental Lease Agreement Addendum for any tenancy of a Mobile Home owned by the Owner.

d. Alternative Lease Forms Permitted. In addition to and along with the Model Supplemental Lease Agreement Addendum, the Owner may offer any alternative form of rental agreement permitted under the MRL, provided that (1) the Owner provides a written plain language summary of this MOU prepared by the City that explains the terms of this MOU, (2) the alternative lease agreement contains the same Homeowner protections included in the Model Supplemental Lease Agreement Addendum; and (3) the Owner allows the Homeowner at least 72 hours, or any longer period as may be required by law, to compare the terms of the Model Supplemental Lease Agreement Addendum and the terms of this MOU with any alternative form of rental agreement, and to accept or reject the Model Supplemental Lease Agreement Addendum. Owner shall provide the City with a copy of any alternative lease agreement no later than ten (10) days after receiving a written request from the City to do so.

3. ANNUAL BASE RENT INCREASE.

On the first Anniversary Date during the term of this Agreement, and on each and every Anniversary Date thereafter, the Owner may increase the then existing Base Rent by the greater of seventy five percent (75%) of the increase in the CPI, or three percent (3%), using the most recently published CPI data for the twelve month period prior to the notice of rent increase ("**Annual Base Rent Increase**").

4. INCREASE TO BASE RENT UPON TRANSFER.

Owner shall only increase the Base Rent for any Space upon Transfer of the Mobile Home by the Homeowner as set forth below:

a. If the Transfer occurs on or before the first anniversary of the Effective Date of the MOU, the Base Rent may not be increased more than five percent (5%) above the Base Rent in effect immediately prior to the effective date of the Transfer.

b. If the Transfer occurs after the first anniversary of the Effective Date but before the second anniversary of the Effective Date, the Base Rent may not be

increased more than ten percent (10%) above the Base Rent in effect immediately prior to the effective date of the Transfer.

c. If the Transfer occurs on or after the second anniversary of the Effective Date of the MOU, the Base Rent may not be increased more than fifteen percent (15%) above the Base Rent in effect immediately prior to the effective date of the Transfer.

d. Notwithstanding anything set forth in this Section 4, the Owner of the Plaza del Rey Mobile Home Park agrees that in no event will any Homeowner's Base Rent be increased upon a Transfer to an amount that exceeds Two Thousand Two Hundred Fifty Dollars (\$2,250) as that amount is increased each year during the Term of this MOU by the Annual Base Rent Increase amount unless the Base Rent exceeded Two Thousand Two Hundred Fifty Dollars (\$2,250) before the Transfer. Nothing herein shall require the Owner of the Plaza del Rey Mobile Home Park to reduce any Base Rent that may exceed Two Thousand Two Hundred Fifty Dollars (\$2,250) as of the Effective Date or the date of Transfer.

e. Notwithstanding anything set forth in this Section 4, Owner shall not be subject to any limitation on Base Rent increases in the event of a Transfer that is the result of (1) a true vacancy, where the Homeowner voluntarily surrenders possession of the Space and removes the Mobile Home from the Park; (2) the Mobile Home being abandoned in accordance with Civil Code Section 798.61; (3) the Homeowner being evicted as evidenced by entry of a judgment or a stipulation and order in an unlawful detainer proceeding; (4) the Mobile Home being sold to a dealer as defined in Health and Safety Code Section 18002.6; or (5) the Mobile Home being repossessed by a legal owner or lien holder.

5. PASS THROUGH ADJUSTMENTS.

In addition to the increases in Base Rent authorized in Sections 3 and 4, Owner may pass through to the Homeowner the following costs ("**Pass Throughs**").

a. Government Fees and Assessments. If the cost of Government Fees and Assessments exceeds the cost for any such Government Fees and Assessments from the prior fiscal tax year by more than the annual CPI increase, the Owner may pass through such increase to the Homeowners. The amount of any Government Fees and Assessments Pass Through shall be the total annual amount of such increase in the Government Fees and Assessments divided by twelve (12) and then divided by the total number of spaces in the Park.

b. Capital Improvements. The Owner may pass through to the Homeowners, the amortized cost of any Capital Improvement, provided that such Capital Improvement has been approved by a majority of the residents of the Park by a written ballot with each Space having one vote. The Owner shall provide the residents of the Park with at least thirty (30) days to consider the approval of the Capital Improvement. Any written ballot shall include the estimated cost of the

Capital Improvement Pass Through for each resident. The amount of any Capital Improvement Pass Through shall be determined by amortizing the actual cost of the Capital Improvement plus interest at the actual rate of interest paid by the Owner for any financing associated with the Capital Improvement over the applicable amortization schedule of the U.S. Internal Revenue Code. The annual amortized amount determined in accordance with this subsection shall be divided by twelve (12) and then divided equally among all spaces in the Park. Any Capital Improvement Pass Through shall be eliminated as a rent obligation at the conclusion of the amortization period.

c. Capital Replacements. The Owner may pass through to the Homeowners the amortized cost of any Capital Replacement in accordance with the following.

(1) Prior to implementing any Capital Replacement Pass Through, except a Capital Replacement necessitated by an emergency, the Owner must: (A) provide the Homeowners with advance notice of the proposed Capital Replacement and an opportunity to comment on the need, design, and conduct of the work; (B) solicit at least two bids for the Capital Replacement work and (C) award the contract to the lowest bidder or provide an explanation to any Homeowner so requesting why the contractor without the lowest bid was selected.

(2) The amount of any Capital Replacement Pass Through, including a Capital Replacement necessitated by an emergency, shall be determined by subtracting from the actual cost of the Capital Replacement any insurance proceeds, rebates, tax credits or warranty payments received by the Owner defraying the costs of the Capital Replacement and amortizing the remaining cost of the Capital Replacement plus interest at either the actual rate of interest paid by the Owner for any financing associated with the Capital Replacement or the Prime Rate plus two percent (2%) over the applicable amortization schedule of the U.S. Internal Revenue Code. The annual amortized amount determined in accordance with this subsection shall be divided by twelve (12) and then divided equally among all spaces in the Park.

(3) Any Capital Replacement Pass Through shall be listed separately from the base rent on monthly Space rent billings and shall be eliminated as a rent obligation at the conclusion of the amortization period.

(4) Notwithstanding anything set forth above in this subsection (c), Owner shall be allowed a Capital Replacement Pass Through for Capital Replacements that were commenced and completed prior to the Effective Date, as long as (i) the Capital Replacement was completed no earlier than six (6) months prior to the Effective Date; (ii) the cost of the Capital Replacement has not already been passed through to the Homeowners; and (iii) the Capital Replacement Pass Through amount conforms to the requirements of subsection (c)(2) above. Owner shall list in Exhibit D any

Capital Replacements that were completed prior to the Effective Date that meet the criteria of this Section 5.c(4).

d. Property Tax Increases. The Owner may pass through to the Homeowners the amount by which Property Taxes increase in any given fiscal tax year by more than two percent (2%) over and above the prior fiscal tax year Property Taxes, subject to the following.

(1) A Property Tax Pass Through may be imposed in the amount of any Property Tax increase that exceeds two percent (2%) in a given fiscal tax year that is caused by an involuntary Property Tax reassessment including but not limited to a death of a person holding an ownership interest in the Park or as the result of any new general or special real estate property tax imposed by the City of Sunnyvale, the County of Santa Clara, or the State of California.

(2) If the Park is sold to a third party pursuant to an arms-length transaction, the Owner may pass through to the Homeowners the increase in Property Taxes resulting from a reassessment of the Park upon such sale to the extent that such increase exceeds two percent (2%) in a given fiscal tax year, provided, however, the total amount of any Property Tax Pass Through resulting from a sale shall be phased in over five (5) years with equal increases each year until the full amount of the Property Tax Pass Through has been implemented.

(3) Owner shall not be entitled to any Property Tax Pass Through due to an increase in Property Taxes which is triggered solely by or based upon a voluntary internal reorganization resulting in a "change of ownership" or a transfer of a joint venture or partnership interest among the current persons holding an ownership interest that triggers a reassessment of the Property or the Park.

(4) All Property Tax Pass Throughs shall be divided by twelve (12) and then shall be allocated equally among all Spaces in the Park.

(5) Notwithstanding anything in this MOU to the contrary, the Owner of Plaza del Rey has the right to pass through the increase in its Property Taxes that occurred prior to the Effective Date in accordance with the terms of its existing leases, without a five-year phase in. However, the Owner of Plaza Del Rey agrees that the Property Tax increase that occurred prior to the Effective Date will be phased in over five (5) years, as set forth in paragraph 5.d(2) above.

e. Emergency or Disaster Related Costs. Owner may pass through to the Homeowners any costs to repair damage to the Park arising from any Disaster Related Event in excess of the initial fifty thousand dollars (\$50,000) of such

costs, provided such costs are amortized in accordance with the procedure for amortizing Capital Replacements under paragraph 5.c above and such costs are divided equally among all Spaces in the Park. Any Disaster Related Event costs passed through to the Homeowners shall be net of any insurance proceeds or disaster grants or assistance received by the Owner for such costs. Owner shall not be entitled to pass through to the Homeowners any Disaster Related Event costs unless the Owner has continued to maintain throughout the term of this MOU the types and amounts of property insurance in effect on the Effective Date, if those types and amounts of property insurance are commercially available throughout the term of this MOU, at the same price in effect on the Effective Date, adjusted each year by the increase in the CPI. If those types and amounts of property insurance are not commercially available throughout the term of this MOU, at the above described price, Owner reserves the right, in its sole and absolute discretion, to purchase whatever property insurance it deems reasonable for the Park. Owner shall disclose Owner's property insurance coverage to any Homeowner so requesting, provided however, no Homeowner shall be entitled to such disclosure more than once in any twelve-month period.

f. Requirements applicable to all Pass Throughs.

(1) No Pass Through shall be implemented unless Owner gives the Homeowners at least ninety (90) days written notice of the Pass Through including documents evidencing the costs being passed through to the Homeowners and the calculations that serve as the basis for the Pass Through.

(2) Pass Throughs shall be separately itemized in the monthly space rent bills.

(3) Pass Throughs shall be considered the same as rent for purposes of the MRL, however, Pass Throughs shall not be deemed part of Base Rent for purposes of calculating the Annual Base Rent Increase pursuant to Section 3 or the increase in Base Rent upon Transfer pursuant to Section 4 above.

6. SAFETY NET PROGRAMS.

Owner agrees to implement a safety net program within the Park designed to provide relief from Annual Base Rent Increases and Pass Throughs to Homeowners that due to financial circumstances are unable to pay the increased Base Rent or Pass Throughs. The safety net program shall be summarized in a written document and at a minimum provide relief from Annual Base Rent Increases and Pass Throughs to Homeowners pursuant to the following terms and conditions:

- a. Any Homeowners with a household income at or below \$34,480 per year shall be eligible, provided household assets are at or below \$150,000, excluding the Mobile Home, furniture, and vehicles;

- b. Qualifying Homeowners would receive a rent credit for the amount of any rent increase that causes their monthly rent including all Pass Throughs to exceed one third of their household income;
- c. Qualifying Homeowners would not be required to reimburse the Owner for any rent credits received, although the qualifying Homeowner's Base Rent would be adjusted upward to account for all allowable increases under the MOU;
- d. The \$34,480 household income and \$150,000 asset amounts will be adjusted by the Annual Base Rent Increase percentage;
- e. Owner will be responsible for managing its safety net program. City shall have no responsibility for and right to manage any safety net program established by an Owner;
- f. Qualifying Homeowners must have resided at the Park for at least five (5) years to be eligible for the safety net program and, and must reapply each year they remain in the program;
- g. Participation in the safety net program can be limited for each qualifying Homeowner household at Owner's reasonable, good faith discretion, but must be provided for a minimum two (2)-year period;
- h. The number of qualifying tenants can be limited to two percent (2%) of the total number of Spaces at the Park;
- i. Items a through h represent minimum requirements, to assist the neediest Homeowners at each park. Owner is free to establish more generous guidelines but cannot be required to do so.

Owner shall provide the City with information on the Owner's safety net program at the City's request. Nothing herein shall prevent Owner from offering a safety net program that serves Homeowners not meeting the qualifications stated herein or provides greater protections to Homeowners. Nothing herein shall require Owner to provide the City with confidential financial information of any Homeowner, unless said Homeowner authorizes the release of said information to the City, in writing.

7. OWNER'S BUSINESS PRACTICES.

Each Owner hereby covenants with the City that the Owner will act in good faith in all the Owner's dealings with the Homeowners in the Park under this MOU. No Owner shall declare a Homeowner's Space abandoned or seek to terminate a Homeowner's tenancy for purposes of obtaining a Base Rent increase or a Pass Through in contravention of this MOU.

Nothing herein shall preclude Owner from proceeding with abandonment and/or eviction proceedings to the full extent allowed by law, including, but not limited to the MRL.

8. CONTINUED COMMUNICATION AND UPDATES.

During the first five years of the term of this MOU, the Owners or their delegates agree to meet with City representatives as designated by the City Manager and with Homeowner representatives to discuss any issues that may arise with regards to the implementation and interpretation of this MOU. The goal is to have one Homeowner representative from each Park subject to the MOU, however if there is not interest from Homeowners from all of the Parks, then additional Homeowner representatives from the remaining Parks may be appointed until a total of ten (10) Homeowner representatives are appointed, with the representation from each Park limited as set forth below:

- Parks with fewer than 125 spaces: One (1) Homeowner representative per Park
- Parks with 125 spaces or but fewer than 300 spaces; Two (2) Homeowner representatives per Park
- Parks with 300 or more spaces: Four (4) representatives per Park.

The City shall establish an application for Homeowner representatives to be appointed to serve a five-year term. The Community Development Director shall review and select the Homeowner representatives and may also appoint alternates for each Homeowner representative in the event the designated representative cannot attend meetings or vacates the position. The meetings shall be conducted at least twice per year during the first year of the Term of this MOU but shall be held more often if issues or concerns are raised by Homeowners or Owners that need to be addressed. Meeting dates shall be established by the City at the beginning of each calendar year. Meetings will be open to the public and subject to the Brown Act. Brief action meeting minutes will be prepared by the City after each meeting with a list of attendees and made available to the public.

If after the first five years, the Owners and the Homeowners determine that there is a need to continue meeting, the City may determine a schedule for meetings going forward. If the Owners and the Homeowners determine that there is a need to continue the meeting after the first five years, the Community Development Director may either extend the appointments of the Homeowner representatives or seek applications for new appointments with the same rules regarding representation from each Park set forth above applying. The purpose of the meeting with Owners and Homeowners is to address issues of a general and common nature related to the MOU rather than individual disputes between a Homeowner and an Owner.

9. CITY AS ENFORCEMENT AGENCY.

If any Owner fails to comply with the terms of this MOU or any Model Supplemental Lease Agreement Addendum entered into pursuant to this MOU, the City may initiate an action on behalf of the affected Homeowner or Homeowners to enforce the terms of this MOU or Model Supplemental Lease Agreement Addendum entered into pursuant to this MOU.

10. EXCEPTION FROM RENT CONTROL ORDINANCES.

Provided that the Owner is not in material breach of this MOU, and during the period in which this MOU remains in effect, the City shall not enforce or impose the provisions of any City ordinance or regulation, with respect to the amount of rent charged by Owner for occupancy of any mobile home spaces or any City adopted rent stabilization ordinance, within the Park.

11. TERM.

The term of this MOU ("**Term**") shall commence on the Effective Date and continue for a period of twenty (20) years.

This MOU shall automatically terminate prior to the end of its Term with respect to any Park that is closed in accordance with federal, State, or local law, including but not limited to the Sunnyvale Municipal Code. Upon request of the Owner or a successor in interest to the Owner of a Park that is scheduled to close in accordance with law, the City and the Owner shall execute and deliver within a reasonable period of time such documents or other instruments as may be necessary to evidence the termination of this MOU with respect to the Park as of the date it closes pursuant to the MRL.

Nothing in this MOU shall preclude any Owner from closing and/or going out of business if the Park is destroyed, or substantially destroyed, by factors beyond Owner's control, including war, terrorist attack, earthquake, fire, or other acts of nature.

Nothing in this MOU shall preclude any Owner from applying for a Vega adjustment and/or a rent increase based on fair return on investment, following the termination of this MOU and/or the enactment of any rent stabilization law that supersedes this MOU, or is otherwise applicable to its park.

12. COVENANTS RUNNING WITH THE LAND; RECORDING OF MOU.

The obligations of the Owner contained within this MOU with respect to the Park are covenants running with the land to the benefit of the City and to each present or future Homeowner leasing any Space within the Park during the term of this MOU as an intended third party beneficiary to this MOU. The parties intend that these covenants touch and concern the Park, and that they shall be binding upon the Owner and all successors, heirs, and assigns of the Owner with respect to the Park during the term of this MOU. This executed and notarized MOU shall be recorded in the Official Records of the Santa Clara County Recorder's Office with respect to that real property legally described in Exhibit C. The obligations under this MOU and the covenants contained in this MOU shall terminate

and cease to exist simultaneously with the termination of this MOU, at which time Owner may take any action allowed by law to remove or otherwise extinguish those covenants.

13. RESOLUTION OF DISPUTES.

a. Mediation. In the event any dispute arises between the Owner and City with respect to the enforcement of any provisions of this MOU, or between the Owner and any Homeowner who is an intended third party beneficiary with respect to the interpretation or enforcement of any provisions of this MOU, the party claiming a violation of the MOU shall give written notice to the other party specifying the nature of the dispute, and if the party claiming a violation of the MOU is a Homeowner, the Homeowner shall give written notice to both the Owner and the City. If the issue raised in the written notice is not corrected within thirty (30) days of such notice, then the Owner and City agree that the parties will first try to resolve the dispute through mediation using a third party City-funded mediation service, such as Project Sentinel, for example. Any party to mediation may propose an alternate mediation service, provided the party proposing the alternate mediation service pays the full cost of such mediation service. The parties to any such mediation shall make a good faith effort to resolve such dispute through mediation prior to filing any action or lawsuit or seeking judicial relief, unless doing so would cause any action or lawsuit to be barred by any applicable statute of limitations, in which case a protective action may be filed, without prejudice to the continuation of the mediation.

b. Resolution of Disputes Not a Waiver of Rights or Benefits. None of the rights, liabilities, or obligations of the Owner, City, Homeowner, or prospective Homeowner to one another shall be waived, suspended, or delayed pending the recommendations of a mediator, or other person designated to administer and make recommendations under any dispute resolution proceeding of this MOU or Model Supplemental Lease Agreement Addendum. For example, during any dispute resolution proceeding, the Owner remains obligated to offer the Model Supplemental Lease Agreement Addendum under the circumstances described in this MOU, and the Homeowner remains obligated to pay any rents due.

14. GENERAL PROVISIONS.

a. Notices. All notices and other communications required or permitted under this MOU, unless otherwise expressly stated, shall be made in writing and shall be delivered to the party whom addressed by personal service or by deposit in any U.S. mail depository, first class postage paid, and shall be deemed received: (1) if personally delivered, upon the date of actual receipt by the person to receive such notice, or (2) if mailed, two business days after the date of any proof of deposit in the United States mail. Notices to any Owner shall be given to the address for such Owner listed on Exhibit A. Notices to the City shall be given to the City of Sunnyvale, 456 W. Olive

Ave, Sunnyvale, CA 94086, Attention: City Manager, with a copy of such notice sent to such address to the attention of the City Attorney. The address for delivery of notices may be changed by either party by giving notice to such change to the other party in accordance with this paragraph.

b. Complete Agreement. This MOU shall: (1) constitute the parties' entire agreement, (2) merge all prior discussions and negotiations between the parties, and (3) supersede and replace all prior agreements and understandings, whether oral or written, with respect to the subject matter hereof.

c. Amendments. This MOU may not be amended, altered, or modified except by a writing signed by the City and the Owners, unless the amendment, alteration or modification impacts less than all of the Owners, in which case only the impacted Owner or Owners and the City must sign.

d. Successors and Assigns. Except as provided in paragraph h below, this MOU shall be binding upon and inure to the benefit of the parties and their prospective successors and assigns.

e. Severability. If any portion of this MOU shall be held by a court of competent jurisdiction to be invalid, void, or otherwise unenforceable, the remaining portions of this MOU shall remain in effect and enforceable to the fullest extent permitted by law, if such enforcement would not frustrate the overall intent of the parties as such intent is manifested by all provisions of this MOU. If the MOU or any portion of this MOU is held by a court of competent jurisdiction to be invalid, void, contrary to public policy, ultra-vires, or otherwise unenforceable (collectively, "**Impairment**") the City shall not be liable to the any Owner, any Homeowner, or any other party in law, equity, or in an action for damages for such Impairment.

f. Extension Not a Waiver. The failure by any party or intended third party beneficiary to require strict performance of the obligations of another party to this MOU, or the failure to exercise or delay in the exercise of any power, remedy, or right provided in this MOU or otherwise available to any party or intended third party beneficiary, upon any failure of another party to perform the other party's obligations under this MOU, shall not be deemed a waiver and shall not impair or affect the right of such party or intended third party beneficiary to require strict performance and to exercise the power, remedy, or right on any other or subsequent occasion for the same or any other failure of the other party to perform its obligations under this MOU.

g. Applicable Law. This MOU shall be construed in accordance with, and governed by, the law of the State of California. Nothing herein shall preclude any party from challenging any law, on its face, or as applied, on the ground that it violates the state or federal constitution.

h. MOU Not Applicable to Resident-owned Parks. The MOU shall not apply to any resident-owned park. In the event the ownership of the Park to which this MOU applies is transferred to the residents of the Park, this MOU shall immediately and finally terminate with respect to the Park upon the effective date of the transfer of ownership. A "resident-owned" park shall mean a park in which fifty percent (50%) or more of the Spaces are owned by the residents of the park, directly or indirectly, through any means of devices.

i. Exhibits. Exhibits A through D are attached hereto and are incorporated herein by this reference.

j. Execution in Multiple Counterparts. This MOU may be executed in multiple counterparts and becomes binding with respect to each Owner when originally signed by an authorized representative of the Owner and delivered to the City Manager of the City.

k. Enforcement of Rules and Regulations. Nothing in this MOU shall preclude Owner from enforcing the Park's rules and regulations that are not in conflict with this MOU.

APPROVED AND EXECUTED to be effective as of the Effective Date.

CITY OF SUNNYVALE, a chartered municipal corporation

By: _____

By: _____
KENT STEFFENS, CITY MANAGER

NAME/TITLE

Date: _____

DATE: _____

ATTEST:

By: _____
DAVID CARNAHAN, CITY CLERK

APPROVED AS TO FORM:

By: _____
JOHN A. NAGEL, CITY ATTORNEY

DRAFT

**EXHIBIT A
LIST OF PARKS**

Adobe Wells

Cape Cod

Casa de Amigos

El Dorado

Fair Oaks

Fox Hollow

Mary Manor

Plaza Del Rey

Rancho La Mesa

Willow Ranch

DRAFT

EXHIBIT B
FORM OF MODEL SUPPLEMENTAL LEASE AGREEMENT

DRAFT

EXHIBIT C
LEGAL DESCRIPTION OF REAL PROPERTY

DRAFT

EXHIBIT D
LIST OF CAPITAL REPLACEMENTS PURSUANT TO SECTION 5.C(4)

DRAFT

September 13, 2021

Hon. Mayor & City Council
City of Mountain View
500 Castro Street, 3rd Floor
Mountain View, CA 94041-2010

RE: OPPOSITION TO MHP RENT CONTROL (Agenda Item 7.1)

Dear Mayor Kamei & Councilmembers:

We are the Cala Family and we have owned and operated the New Frontier Mobile Home Park in Mountain View for last 57 years. My father and uncle and now my cousin and I have been responsible property owners all these years and have worked hard to keep our rents reasonable, while at the same time maintaining and improving the park. The rent control ordinance being proposed would hurt our small family business and punish us for being good members of the community by keeping our rents below market for the last 57 years. We believe that is unfair.

A better, more equitable approach to preserving mobile home park affordability in Mountain View would be the implementation of a MOU. Sunnyvale adopted a MOU just last month and all mobile home park stakeholders had a hand in crafting it. Our family asks that the City Council seriously consider a MOU and not a rent control ordinance. Rent control is costly in terms of valuable staff time and resources. It also divides people and encourages expensive lawsuits. I ask the council to look into and adopt the MOU as Sunnyvale is doing. If you would like to discuss this further feel free to call me.

Sincerely,

The Cala Family
New Frontier Mobile Home Park
[REDACTED] Sylvan Ave
Mountain View, CA [REDACTED]

From: [Doug Johnson](#)
To: [City Council](#)
Subject: AGENDA ITEM # 7.1
Date: Tuesday, September 14, 2021 9:43:43 AM

CAUTION: EXTERNAL EMAIL - Ensure you trust this email before clicking on any links or attachments.

September 14, 2021

The Honorable Mayor and City Council
City of Mountain View
500 Castro Street, 3rd Floor
Mountain View, CA 94041-2010

city.council@mountainview.gov

RE: OPPOSITION TO MHP RENT CONTROL (Agenda Item # 7.1)

Dear Mayor Kamei & Councilmembers:

The Western Manufactured Housing Communities Association (WMA) is a nonprofit trade association representing the owners and operators of mobilehome communities throughout the state of California. Having been founded in 1945, WMA is one of the oldest, largest and most respected trade associations of its kind in the United States. WMA is firmly opposed to rent control. We believe it tears communities apart, diminishes affordable housing stocks, invites costly litigation and can rapidly deplete precious city resources during a time when COVID-19 is already wreaking havoc on municipal budgets throughout the state.

A better, fairer and more cost-effective alternative to rent control is a MOU. The Sunnyvale City Council unanimously approved a comprehensive MOU for ten of its mobilehome parks in July. An entire community — councilmembers, parkowners, park residents, city staff and professional consultants — worked together on this groundbreaking agreement that will protect mobilehome park affordability and sustainability for decades.

MOU stakeholder meetings were facilitated by the managing partner of BAE, an award-winning urban economics consulting group that has completed thousands of projects for local governments across the country. BAE provided services to the city of Mountain View on the San Antonio Precise Plan in 2014. The well-known law firm of Goldfarb & Lipman provided legal services to the stakeholder group and drafted the language of the Sunnyvale MOU agreement.

WMA and our member parkowners expressed our collective support for a MOU to a Mountain View City Council study session back in January 2020 and we also met with

city staff in February 2020 to discuss this option in more depth. It is important to note that a MOU can be tailor-made for the unique and specific needs of Mountain View's six mobilehome communities.

The MOU work just completed in Sunnyvale could be easily and quickly replicated in Mountain View. The cities of Rancho Cucamonga and San Dimas also administer two highly successful, decades-long MOUs that were both recently renewed by their city councils. WMA respectfully urges the Mountain View City Council to authorize the development of a MOU and its collaborative approach, rather than impose a one-sided rent control ordinance.

Sincerely yours,

DOUG JOHNSON
Senior Regional Representative
Local Government & Public Affairs

WESTERN MANUFACTURED HOUSING COMMUNITIES ASSOCIATION
Northern California & Bay Area Regional Office
1667 Columbus Road
West Sacramento, CA 95691-4902
(916) 374-2702 Office
rdj2003@sbcglobal.net Email
www.wma.org Website