

County of Santa Clara
Board of Supervisors
Supervisorial District 5
Supervisor S. Joseph Simitian



77356

DATE: June 23, 2015
TO: Board of Supervisors
FROM: S. Joseph Simitian, Supervisor
Dave Cortese, Supervisor
SUBJECT: Buena Vista Mobile Home Park

RECOMMENDED ACTION

Direct Administration to set aside an additional \$6.5 million from the County's Stanford GUP Affordable Housing Fund to be used to provide a portion of the necessary funding to secure deed-restricted affordable housing units at the Buena Vista Mobile Home Park. The total set-aside from the Stanford GUP Affordable Housing Fund would now be \$14.5 million, subject to further authorization by the Board of Supervisors. County funds will be set aside contingent on a 1:1 match with funds set aside by the City of Palo Alto. (Simitian/Cortese)

FISCAL IMPLICATIONS

No impact to the General Fund. The Affordable Housing Fund currently contains in excess of \$16.8 million (of which \$4 million has already been encumbered for another project). An additional \$1.7 million will be forthcoming within the next three months from projects already approved and under construction (fees are due and payable upon completion and prior to the issuance of a certificate of occupancy). An additional \$12.9 million in fees is anticipated over the lifetime of the General Use Permit, assuming the University continues to prefer in lieu payments as the method to comply with the permit conditions related to affordable housing.

BACKGROUND

The Buena Vista Mobile Home Park is located on El Camino Real at Los Robles in Palo Alto. It is the last mobile home park in Palo Alto and a source of affordable housing for about 117 mostly low-income Latino families, about 400 people in total.

The property is privately owned, and the owner has shown interest in closing the mobile home park and replacing it with a market-rate development, which will result in the displacement of the residents and the loss of this scarce source of affordable housing in an extremely high-cost part of our County.

Recently, the City of Palo Alto gave final authorization to close the park and finalized the relocation package the owner must offer residents. This was the final barrier to park closure, and the owner now has the right to accept the City's closure authorization and accompanying conditions, and to close the park if he wishes.

Timeline: In January 2015, this Board set aside \$8 million from the Stanford GUP Affordable Housing Fund, thereby changing the tenor of the conversation. For the first time, a path forward that doesn't include eviction is being seriously discussed. Since January the following has occurred:

- February 2015: Palo Alto's City Manager set aside \$8 million to match the County's commitment (subject to ratification by the City Council).
- March 2015: Roughly 500 members of the community gathered at Palo Alto City Hall to thank the City for its \$8 million match, and urge continued support.
- March 2015: Local federal and state legislators (Congresswoman Eshoo, Senator Hill, and Assemblymember Gordon) weighed in supporting the Buena Vista with letters to appropriate agencies in an effort to secure additional funding.
- January-June 2015: Made contact with more than a score of organizations interested in being part of a solution should the park be acquired for preservation.
- April 2015: The Board authorized County staff to identify a non-profit mobile home park owner/operator who could partner with the County to develop an offer to purchase the Buena Vista from the owner. On April 28th, the County entered into a contract with the Caritas Corporation; a non-profit with experience and success in just this kind of effort.
- May 26, 2015: The City of Palo Alto finalized the closure plan.

- June 1 and 8, 2015: Letters urging City action to support County efforts to preserve the Buena Vista went to the City Council from eighteen School Board Members (including all five of the current members) and 24 former Councilmembers.

Next Steps: The components essential to making a market-rate offer to the owner are now in place. As the prospective owner/operator of the Mobile Home Park, the Caritas Corporation is in position to pull together the resources it needs to make that offer. The County, in partnership with the City of Palo Alto, is in a position to provide a measure of public funds to underwrite the acquisition and/or improvement costs and Caritas can close much of the gap with a tax exempt revenue bond that leverages the cash flow from monthly space rentals. The hope and expectation is that if a funding gap remains we will look to philanthropic and/or corporate sources for assistance.

DISCUSSION

The Structure: As previously explained in our January referral, acquiring this site and preserving it in perpetuity for affordable housing is consistent with the limited and defined uses of the Stanford GUP Affordable Housing Fund.

This proposal stays true to the original intent as set forth in the January referral that the County will neither own, nor operate the mobile home park, but will simply provide a portion of the funding necessary for our non-profit partner, the Caritas Corporation, to acquire the park.

By requiring a 1:1 match with City funds, we ensure the local commitment necessary for this project to be successful. This is an opportunity for the County to leverage its limited funding, and to act effectively on our oft-stated commitment to affordable housing.

Why It Makes Sense: As development pressures continue to increase in Santa Clara County, more and more working class families are finding it harder and harder to keep their foothold in our community. Rather than drive them out, we have an

opportunity to ensure they will always be welcome at the Buena Vista Mobile Home Park.

While a \$14.5 million commitment with a 1:1 match is a considerable amount to preserve 120 units of housing, consider that a recent affordable housing project in the same community (801 Alma Street) cost about \$600,000 a unit. If we are serious about preserving the diversity of our communities, then we need to make a financial commitment to affordable housing.

If we lose 117 units of affordable housing in one of the hottest property markets in Country's history, there is no guarantee they will ever be replaced.