



## City Council Staff Report

**From: City Manager**

**Report Type: STUDY SESSION**

**Lead Department: Planning and Development Services**

**Meeting Date: March 4, 2024**

Report #:2402-2616

### **TITLE**

Study Session to provide early feedback about the proposed redevelopment of Buena Vista Mobile Home Park at 3980 El Camino Real.

### **RECOMMENDATION**

Recommend that City Council hold a study session to provide early feedback on the proposed redevelopment of Buena Vista Mobile Home Park

### **EXECUTIVE SUMMARY**

On February 15, 2024, the Santa Clara County Housing Authority (SCCHA) submitted an application for Streamlined Housing Development review. The proposed project includes an affordable 61-unit apartment development on a portion of the subject parcel located at 3980 El Camino Real (see Attachment A, Location Map). The applicant intends to file a separate Vesting Tentative Map Application with the City to subdivide the existing lot into two parcels.

The second parcel would be redeveloped as mobile homes, which is processed through the State Department of Housing and Community Development (HCD). The total development would be 105 units; 40% of units will be provided at a rate affordable to 30% AMI, 40% of the units would be provided at a rate affordable to 50% AMI and the remaining 20% would be provided at a rate affordable to 80% AMI.

Although a prescreening is not required for this type of application, due to the City's \$14.5 million investment in funds toward the purchase of this property for its redevelopment, and as a party to a regulatory agreement assuring its permanent affordability (see Attachment B, Existing Regulatory Agreement), it is in the City's interest to provide early feedback. The regulatory agreement will need to be reopened and revised to, at minimum, accommodate the inclusion of an apartment building. Staff intends to return to Council for authorization to amend the Development Agreement. Additionally, as part of the Vesting Tentative Map process, the project will ultimately be brought forward to Council for a final decision on the subdivision map. This study session provides an opportunity for early feedback from Council on the proposed project and associated actions.

## **BACKGROUND**

In June 2016, Council approved a Memorandum of Understanding (MOU) Between the SCCHA, the County of Santa Clara, and the City of Palo Alto to provide up to \$14.5 million in City affordable housing funds in support of the Housing Authority's potential acquisition of the Buena Vista Mobile Home Park for deed restricted affordable housing. The SCCHA purchased the park in 2017 with the support of these funds.

After an assessment of the park's conditions, it was found that the park contained an array of hazards such as: failing utilities, many coaches near their end-of-life with structural and health issues, and lack of code-compliance. With the purchase, SCCHA agreed with the City and County to improve and protect the park as affordable housing through a tri-party regulatory agreement which focused on maintaining affordable housing, enhancing the habitability of the property, avoiding resident displacement, and investing in rehabilitation and improvements. The tri-party agreement includes an improvements timeline and some expected outcomes. Since the onset of the agreement, the Housing Authority has:

- Relocated Park residents as needed (e.g., to new mobile homes),
- Removed trash and abandoned cars,
- Conducted necessary home repairs,
- Installed new utilities,
- Replaced aged sewer and water lines,
- Replaced paving,
- Demolished abandoned coaches (i.e., mobile homes),
- Capped unused utilities for safety,
- Provided spaces for services and an afterschool program, and
- Worked to bring the Park into compliance with various laws.

Council held a study session on February 13, 2023 in which SCHAA provided an update on these ongoing efforts at the site.<sup>1</sup>

### Project Description

On February 15, 2024, the SCCHA submitted a formal application for Streamlined Housing Development review for a 61-unit apartment development on a portion of the site. Attachment C shows the project plans for this development. The SCCHA intends to submit a subsequent application for a Vesting Tentative Map to subdivide the existing parcel into two parcels and to redevelop one of the parcels with a 61-unit apartment complex and the other parcel with a 44-unit mobile home development. This subdivision accommodates the addition of an apartment

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<sup>1</sup> Study Session Staff Report:

<https://cityofpaloalto.primegov.com/meetings/ItemWithTemplateType?id=972&meetingTemplateType=2>

building to the site. Under the existing Regulatory Agreement, the property must maintain, at minimum, 100 affordable units. However, the existing spacing of mobile homes does not meet current state rules regarding spacing and setbacks. The introduction of an apartment building allows the property to both maintain the minimum number of affordable units, while allowing enough space for the retention of 44 mobile homes. The map would also include a condominium subdivision of the mobile home parcel. The project would be processed and streamlined in accordance with Senate Bill 330 (the Housing Crisis Act) and Assembly Bill 1763 (State Density Bonus Law).

## **DISCUSSION**

Staff from all relevant departments will review the Streamlined Housing Development Review application for consistency with the municipal code and all other relevant state and federal regulations. As detailed in the executive summary, this site is unique in that the proposed Vesting Tentative Map and entitlement for the apartment complex will be processed through the City, but the mobile home redevelopment will be processed through HCD. Because this project involves federal programs, it must be evaluated under both the California Environmental Quality Act (CEQA) and the National Environmental Protection Act (NEPA). Under CEQA and NEPA, the project must be considered as a whole, so the City will serve as the lead agency for CEQA, and the Responsible Entity for NEPA for all aspects of the project (including the mobile homes).

### Surrounding Uses

Adjacent uses and zoning include single family residential uses within the R-1 Zone District to the north, retail and eating and drinking services within the RM-20 zone district to the west along El Camino Real, Los Robles Avenue and a PC Zone District with residential uses to the south, and a multi-family residential use within the RM-30 Zone District the east.

### Comprehensive Plan

The project site has a multi-family land use designation. The Land Use and Community Design Element of the Comprehensive Plan states for this land use that:

“The permitted number of housing units will vary by area, depending on existing land use, proximity to major streets and public transit, distance to shopping and environmental problems. Net densities will range from 8 to 40 units and 8 to 90 persons per acre. Density should be on the lower end of the scale next to single-family residential areas. Densities higher than what is permitted may be allowed where measurable community benefits will be derived, services and facilities are available, and the net effect will be consistent with the Comprehensive Plan. Population densities will range up to 2.25 persons per unit by 2030.”

The density of the proposed 61-unit development would be 60 dwelling units per acre based on the proposed parcel boundaries in accordance with the planned subdivision map. However, staff notes that overall, the development of the two parcels would equate to a density of 23

dwelling units per acre if both the mobile home development and apartment complex are considered.

#### Zoning Compliance

Staff has not yet completed a formal review of the proposed plans for consistency with the RM-20 Zone District development standards. However, SCCHA has indicated its intent to request waivers and concessions from the following development standards:

Concession 1: Height of 36 feet where 30 feet is allowed

Concession 2: Parking, 70 spaces where 78 would otherwise be required

Waiver 1: Floor Area Ratio of .89:1 where .5:1 is allowed

Waiver 2: Private Open Space-No private open space provided where 50 sf per unit is required

Waiver 3: Site Open Space of 34.1% where 35% is required

#### Regulatory Agreement

There is an existing tri-party Regulatory Agreement recorded on the property from 2017. For consistency with the redevelopment plans, the Regulatory Agreement will need to be amended. The Housing Authority has expressed its commitment to delivering the same number of required housing units at the same affordability levels in the new agreements. City staff and Housing Authority staff will discuss the amendments and anticipate returning to Council for approval to draft and execute an agreement based on the revised terms approval.

#### **FISCAL/RESOURCE IMPACT**

In June 2016 Council authorized the expenditure of \$14.5 million in City affordable housing funds to support the Housing Authority's potential acquisition of the Buena Vista Mobile Home Park for deed restricted affordable housing. The money was utilized to acquire the site in 2017.

The redeveloped Buena Vista Community will have two separate development budgets: one for the mobile home park and one for the proposed apartments. With the State's award of nearly \$25 million in Manufactured Housing Opportunity and Revitalization funds, the mobile home park is fully funded. The Housing Authority is continuing to work on the financing plan and funding applications for the apartment building. Most immediately, the Housing Authority intends to apply to the State for funding under the Multifamily Finance Super NOFA (notice of funding availability). The application dates have not been released, but in previous funding rounds, the application is typically available in late May/early June and due in early July. The Housing Authority intends to apply for approximately \$10 million in State funding. If the application is successful, the Housing Authority would next apply for tax credits. If the application is not successful, the Housing Authority will work to identify an alternative financing source prior to applying for tax credits.

No additional funding is requested from the City at this time. The formal application is a cost recovery project and the SCCHA has paid the required deposit fee in accordance with the municipal fee schedule for processing of this application.

## **STAKEHOLDER ENGAGEMENT**

Van Meter Williams Pollack (VMWP) on behalf of the Santa Clara County Housing Authority (SCCHA) began the community engagement process in early 2019 but was disrupted by the COVID pandemic. In the Fall of 2022, Santa Clara County Housing Authority (SCCHA), Van Meter Williams Pollack (VMWP), and Associated Right of Way Services, Inc. (AR/WS) worked with Engage FORA to resume the community engagement process for the redevelopment of the Buena Vista Mobile Home Park (BVMHP). The engagement process included:

- 4 interactive workshops
- 3 property tours
- on-site tours of a new coach
- 3 resident education sessions
- 3 community-building events
- resident advisor 1-on-1s
- monthly newsletters
- frequent FAQs
- website updates
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The Buena Vista residents value their community and want to preserve its affordability. From a development perspective, resident priorities included the questions of timeline, process, choices for their future homes, renter versus owner options, and costs associated. However, input from residents also influenced several aspects of the design, including:

- Colors, material, and architectural style
- Massing and orientation of the apartment building
- The size of the new mobile homes

Residents also stressed the importance of amenities like play areas, a place for a homework club with computers, indoor and outdoor community gathering and event spaces, a dog run, and garden beds.

## **ENVIRONMENTAL REVIEW**

The City will serve as the lead agency in accordance with the California Environmental Quality Act. The project is anticipated to be exempt from the provisions of CEQA in accordance with CEQA Guidelines Section 15332 (infill exemption). The CEQA analysis will assess the whole of the action, including the subdivision and the 44-unit mobile home development. The County Housing Authority is also seeking federal funding from Housing and Urban Development (HUD); therefore, HUD will serve as the lead agency for NEPA. The City will serve as the responsible entity preparing the Environmental Analysis in accordance with federal regulations.

## **ATTACHMENTS**

Attachment A: Location Map

Attachment B: Existing Regulatory Agreement

Attachment C: Project Plans

## **APPROVED BY:**

Jonathan Lait, Planning and Development Services Director