



## Town Council Agenda Report

Date: September 22, 2020 Item No. 4

To: Honorable Mayor and Town Council

Subject: MOBILE HOME DISPOSITION

From: Douglas Robertson, Town Manager

Submitted by: Silvia Urenda, Housing and Community Development Specialist

Budgeted Item:  Yes  No  N/A

### RECOMMENDED ACTION

Approve the sale of a mobile home unit at 11414 Serra Rd. located within the Golden Coach Mobile Estates to Alba An Aigh Real Estate Investments LLC also known as Keith Management, owner of Golden Coach Mobile Estates and find that such sale is for the common benefit.

### BACKGROUND

The California Department of Housing and Community Development (HCD) allocated CalHOME grants to local public agencies to assist in pre-development, site development, site acquisition for development projects, rehabilitation and acquisition, rehabilitation of site-built housing, rehabilitation, repair, replacement of manufactured homes, down payment assistance, mortgage financing, homebuyer counseling, and technical assistance. CalHOME funding eligibility requires qualifying households to be low to moderate income households that do not exceed 80% of the area median income in San Bernardino County. In 2006, the Town of Apple Valley's Economic Development Department established a Residential Rehabilitation Loan Program (RRLP), to allow eligible homeowners to obtain a deferred loan to rehabilitate and improve owner-occupied, single-family residential property. The RRLP Program provided 0% interest deferred loans for 30-years to households in the low, very low, and extremely low-income categories. The repayment of this loan is due upon sale or transfer of the property. Single family and mobile homes were eligible for assistance. The loans shall be utilized by the resident to address health, safety, code violations, ADA improvement and deferred maintenance. All RRLP loans were secured by a loan agreement and Promissory Note identifying the loan recipient as the registered owner and the Town of Apple Valley as the new legal owner.

### ANALYSIS

In 2007, RRLP loan recipient was provided to subject property 11414 Serra Rd., Space 6, located in the Golden Coach Mobile Estates Park in the amount of \$9,500.00. In 2017, the Town was notified that the loan recipient had passed away. The loan recipient's next

of kin notified the Town and released her ownership interest in the Space 6 mobile home to the Town.

The Town has been working with Golden Coach Mobile Estate to maintain the upkeep, space rent, homeowner's insurance, and property taxes for the Space 6 mobile home unit. After receiving the approval through HCD, Town staff had moved forward in the disposition of the Space 6 mobile home unit. On May 19, 2020, Town staff obtained an appraisal that determined the fair market value to be \$15,597.30. Park owner, Alba An Aigh Real Estate Investments LLC, has shown interest in purchasing the unit from the Town for fair market value of \$15,597.30.

There are certain restrictions and procedural requirements when Town disposes of "surplus land," as defined under the Surplus Land Act. However, the disposition of the Space 6 mobile home unit does not contemplate the sale of the land underlying that Space 6 mobile home unit, making the Surplus Land Act is inapplicable.

According to Government Code section 54221(b)(1) "Surplus land" means land owned in fee simple by any local agency for which the local agency's governing body takes formal action in a regular public meeting declaring that the land is surplus and is not necessary for the agency's use. Land shall be declared either "surplus land" or "exempt surplus land," as supported by written findings, before a local agency may take any action to dispose of it consistent with an agency's policies or procedures. A local agency, on an annual basis, may declare multiple parcels as "surplus land" or "exempt surplus land."

Since the Town does not own the land on which the Space 6 mobile home unit sits, the Surplus Land Act does not apply to the sale and disposition of the Space 6 mobile home unit, and therefore disposition would follow the Town's CalHOME program guidelines and the Town's Municipal Code. According to Government Code section 37350, *et. seq.*, the [Town] may purchase, lease, receive, hold, and enjoy real and personal property, and control and dispose of it for the common benefit. The disposition of the Space 6 mobile home unit is being sold by the Town for the common benefit, specifically, the sale creates an additional, available housing unit in the Golden Coach Mobile Estates Park and more broadly within the Town.

Alba An Aigh Real Estate Investments LLC, has agreed to the sale for the Fair Market Rent amount of \$15,597.30, and will assume ownership of the unit inclusive of property taxes, insurance, and space rent.

### **FISCAL IMPACT**

The sale of the property and all previous charges incurred by the Town does not warrant a fiscal impact. All costs incurred will be applied to the CALHOME reuse account and the sale of the property will be identified as a recapture of funds and deposited into the CALHOME reuse account

### **ATTACHMENTS**

None.