

Ocean View Estates

Study Session
September 20, 2022

Ocean View Estates Mobilehome Park

7051 Ellis Avenue
Northeast Corner Goldenwest & Ellis

44 Homes

SUPPLEMENTAL COMMUNICATION

Meeting Date: 9/20/2022

Agenda Item No.: #1 (22-730)

Background

- 1984 Interim Use - Mobilehome Relocation Park to be developed in three phases at the Ocean View Mushroom Farm site.
- 1986 Relocation Agreement for Huntington Shores Mobilehome Park and Life-Estate Rental Agreements with no resale allowed. (20 spaces)
- 1988 Relocation Agreement for Driftwood Beach Club provided a 25 year lease. Lease termination in March, 2019 based upon the date the last tenant relocated. (24 space expansion)
- 2006 Life-Estate Rental Agreements allowed the option to convert to Market Rate Lease Agreements and sell with the stipulation of OVE closure March, 2019.
- 2017 OVE closure extended from 2019 to September, 2024. New Rental Agreements executed, with the exception of one Life-Estate Rental Agreement.



Current Rental Agreement Term Expires September 30, 2024

Approximate Gross Annual Revenue FY 2022-23	\$685,000
Less Expenditures and 5% Vacancy Rate	\$571,000
Estimated funds needed for Relocation Costs (pending Relocation Impact Report)	\$3.4 million
Estimated funds needed to remediate land from interim mobilehome park use and prepare the land for park use	\$1.2 million
Estimated cost to create a passive park	\$4.6 million



Course of Action for Cessation of Use

- Replacement and Relocation Plan (RIR)
- Impact Report - analysis of RIR, housing availability, and mitigation measures
- Resident Meetings
- Publication of Impact Report for 60-day review period
- Public Hearing
- Finding for Cessation of Use - six month notice to vacate
- Relocation Assistance



Option - Cost Estimate Report

Acquisition and Relocation Consultant :

- Interview potentially impacted households
- Analyze local market data for area replacement housing opportunities
- Provide an assessment of relocation and replacement cost to facilitate cessation of use as a mobile home park
- Report Delivery - 60 Days (\$15,000)



Options to Extend Closure Date

The Council may consider extending OVE beyond September, 2024 and reserving a portion of gross annual revenue for closure and relocation costs.

	% to Reserve	General Fund	Park Closure Reserve Fund	Estimated Closure Cost
10 Years	100%	\$0	\$6,966,046	\$6,474,737
15 Years	67%	\$3,833,893	\$7,783,963	\$7,830,133
20 Years	67%	\$5,701,574	\$11,575,921	\$9,470,289
25 Years	50%	\$12,081,655	\$12,081,655	\$11,455,228



Questions?

