

**Carnahan, David**

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**From:** Dolan, Matthew <mdolan@sidley.com>  
**Sent:** Monday, April 06, 2015 3:52 PM  
**To:** Clerk, City; Council, City; Stump, Molly; Kolling, Grant; menanda@infogain.com  
**Cc:** Kyra Kazantzis; James Zahradka; Nadia Aziz; Sue Himmelrich (shimmelrich@wclp.org)  
**Subject:** Buena Vista Mobile Home Park Appeal  
**Attachments:** 2015.04.06 - Disclosure Letter.PDF; Enclosure -Seifel Resume.pdf

Dear Mayor Holman, City Council Members, Ms. Stump, Mr. Kolling and Ms. Nanda,

Attached please find a letter and enclosure regarding the Buena Vista MHP Residents Association's expert for the upcoming hearing in this matter.

Best regards,  
Matt

**MATTHEW DOLAN**  
Associate

Sidley Austin LLP  
1001 Page Mill Road  
Building 1  
Palo Alto, CA 94304  
+1.650.565.7106  
[mdolan@sidley.com](mailto:mdolan@sidley.com)  
[www.sidley.com](http://www.sidley.com)



**SIDLEY AUSTIN LLP**

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SIDLEY AUSTIN LLP  
1001 PAGE MILL ROAD  
BUILDING 1  
PALO ALTO, CA 94304  
(650) 565 7000  
(650) 565 7100 FAX

mdolan@sidley.com  
650.565.7106

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FOUNDED 1866

April 6, 2015

**VIA ELECTRONIC MAIL**

Mayor Karen Holman and City Council of the City of Palo Alto  
Office of the City Clerk  
City of Palo Alto  
250 Hamilton Avenue  
Palo Alto, California 94301

Molly Stump, Esq.  
Grant Kolling, Esq.  
Office of the City Attorney  
City of Palo Alto  
250 Hamilton Avenue  
Palo Alto, California 94301

Margaret Ecker Nanda, Esq.  
485 Alberto Way, Suite 100  
Los Gatos, California 95032

Re: Buena Vista Mobile Home Park Appeal

Dear Mayor Holman, City Council Members, Ms. Stump, Mr. Kolling and Ms. Nanda:

We write regarding the April 13 and 14 hearings on the closure of Buena Vista Mobile Home Park. In accordance with Ms. Stump's letter dated March 30, 2015, the Buena Vista MHP Residents Association discloses that it intends to offer a statement during the hearing from expert witness Libby Seifel. Ms. Seifel is the President of Seifel Consulting, Inc. and has extensive experience advising public and private sector clients regarding real estate and development matters. Ms. Seifel's resume is enclosed and additional information about her can be found at: [www.seifel.com](http://www.seifel.com). At this time, we anticipate that during the hearing Ms. Seifel will provide an oral presentation regarding the following matters:

April 6, 2015  
Page 2

1. The unique features of Buena Vista Mobile Home Park that must be taken into account when identifying housing that is comparable to Buena Vista Mobile Home Park;
2. The current housing market in which the families living in Buena Vista Mobile Home Park will have to find comparable housing; and
3. The location and features of alternative housing that would be available to Buena Vista Mobile Home Park residents based on the relocation assistance approved by the Hearing Officer.

If you have any questions, please contact me at 650-565-7106 or by e-mail at [mdolan@sidley.com](mailto:mdolan@sidley.com).

Very truly yours,



Matthew J. Dolan

Enclosure

cc: Kyra Kazantzis, James Zahradka and Nadia Aziz, Law Foundation of Silicon Valley  
Sue L. Himmelrich, Western Center on Law & Poverty  
Buena Vista MHP Residents Association



## Elizabeth (Libby) Seifel, President, Seifel Consulting

Elizabeth (Libby) Seifel has focused her professional career on creating high quality infill developments, structuring successful public-private partnerships and encouraging the revitalization of communities. She has advised public and private clients on the planning, funding and development of a broad variety of mixed use and mixed income communities. Prior to founding her firm, Libby served as Associate-in-Charge of Williams-Kuebelbeck & Associates, overseeing the firm's economic and management consulting practice. She also served as the founding Executive Director of Tent City Corporation, a non-profit developer of mixed income housing in Boston.

Libby actively promotes best practice in real estate development and urban revitalization through teaching and writing activities. She has chaired the Urban Land Institute (ULI's) Urban Revitalization Council and SPUR Regional Policy Board. She is the local host program co-chair for ULI's upcoming 2015 national conference, and she also serves on the boards for ULI's San Francisco District Council and SPUR. She served as the editor for ULI's recent publication *After Redevelopment: New Tools and Strategies to Promote Economic Development and Build Sustainable Communities*, and edited the *California Affordable Housing Handbook*, among other publications. She also has supported the success of women in business, real estate and technology through her work with the Women President's Organization, ULI Women's Leadership Initiative and MIT. Throughout her professional career, Ms. Seifel has:

- Advised on most of San Francisco's major public-private partnership projects, including Hunters Point Shipyard/Candlestick Point, Mission Bay, Rincon Point/South Beach, San Francisco Center Expansion, Seawall Lot 337/Pier 48, Transbay Transit Center and Treasure Island.
- Counseled other clients on numerous public-private partnerships, including the preparation and review of developer solicitation packages, evaluation of developer responses, development team selection and/or structuring of development agreements for Contra Costa County and the cities of Berkeley, Emeryville, Folsom, Fremont, Hayward, Livermore, Los Angeles, Mountain View, Richmond, South San Francisco, Presidio Trust and the Hawaii Community Development Authority.
- Fostered the creation and revitalization of thriving communities, transit oriented development projects and over 100 successful redevelopment projects in California, including projects in proximity to existing and future transit stations in Concord, El Cerrito, Fremont, Hayward, Lafayette, Livermore, Los Angeles, Richmond, Sacramento, San Mateo, San Fernando, San Francisco, and San Jose.
- Assisted in the financing, development and planning of more than 10,000 affordable housing units in California. Helped secure over \$120 million in funding resources to revitalize public housing and help build affordable housing. Designed programs and prepared implementation strategies to build mixed income housing developments and communities.
- Prepared site analyses, market research, financial pro formas, asset management strategies and investment opportunity analyses of real estate developments throughout California for clients such as the Bay Area Smart Growth Fund, Hastings College of Law, The RREEF Funds and The Real Estate and Land Use Institute of California and numerous cities throughout California.
- Consulted on numerous marina and waterfront projects, including San Francisco's South Beach Marina/Pier 40, Seawall Lot 337/Pier 48, Alcatraz Landing, Hunters Point Shipyard and Presidio Trust properties along Crissy Field, as well as waterfront developments in Alameda, Long Beach, Martinez, Richmond, South San Francisco and West Sacramento.
- Helped communities to secure funding and strategically leverage public funding tools, including federal transportation funds, tax increment financing, community facility districts, assessment districts and development impact fees, drawing on an in-house database of available funding sources.
- Conducted professional training sessions and served as editor/contributing author on publications that promote best practice in affordable housing, public-private partnerships, transit oriented development and community revitalization. Libby designed and led ULI training sessions for public officials on the fundamentals of real estate economics, enhancing their ability to work with developers to achieve public goals, served on the "Building the Resilient City" conference committee and was lead editor on a policy paper that recommends new tools to promote infill and sustainable development after the demise of redevelopment in California.

## Professional Background

1990–present	President, Seifel Consulting, Inc., San Francisco, CA
1982–1989	Associate-in-Charge, Williams-Kuebelbeck & Associates, Belmont, CA
1981–1982	Planner/Economist, Blayney-Dyett, San Francisco, CA
1979–1981	Founding Executive Director, Tent City Corporation, Boston, MA
1977	Urban Intern, Department of HUD, Washington DC
1974–1979	Research Assistant, MIT, Cambridge, MA

## Education, Professional Certification and Honorary Recognition

Bachelor of Science in Urban Studies & Planning, Massachusetts Institute of Technology, 1978  
Master in City Planning, Massachusetts Institute of Technology, 1979  
American Institute of Certified Planners (AICP) Certification, 1983  
Harold E. Lodbell Award for Distinguished Service, Massachusetts Institute of Technology, 1995  
Lambda Alpha International Honorary Society for Advancement of Land Economics, Elected Member, 2007  
California Infill Builders Federation, Leadership Award, 2011

## Professional Instruction, Presentations and Publications

Ms. Seifel has served as a professional instructor in real estate, public-private partnerships and strategies for infill development and urban revitalization for ULI and UC Berkeley Extension. She has coordinated and presented at conferences and meetings sponsored by the American Planning Association (APA) and California APA, CALED, California and Florida Redevelopment Associations, Ford Foundation, Housing California, League of California Cities, Non-Profit Housing Association of Northern California, Royal Institution of Chartered Surveyors (RICS)–India, Tulane University, Urban Development Institute Pacific Region, ULI and the Victoria Rotary Club.

Ms. Seifel writes on real estate, redevelopment and housing related subjects. She has served as the volunteer editor on publications that promote infill development, affordable housing and redevelopment and reuse of underutilized properties. Her published works include:

*After Redevelopment: New Tools and Strategies to Promote Economic Development and Build Sustainable Communities*, Urban Land Institute, November 2013 (Lead Editor and Collaborator)  
*Transbay Transit Center: Key Investment in San Francisco's Future as a World Class City*, Transbay Joint Powers Authority, November 2013 (Publication Coordinator and Editor)  
*Making Affordable Housing Work in India*, RICS, November 2010 (Contributing Author)  
“Sustainable Communities”, *Urban Land*, September 2009 (Author)  
*Community Guide to Redevelopment*, CRA, 2007 (Editor and Contributing Author)  
*California Affordable Housing Handbook*, CRA, 2006 and prior 1998 edition (Editor and Author)  
*The Power of Storytelling*, *Redevelopment Journal*, March 2008 (Author)  
*Designing a Successful Inclusionary Housing Program*, *Redevelopment Journal*, January 2005 (Author)  
*Bay Area Models of Urban Infill Housing*, *Urban Land*, September 2003 (Author)

## Associations and Professional Activities

Board Member, ULI, San Francisco District Council and Local Host Program Co-Chair for 2015 National Meeting  
Former Board Director and Advisory Board Member, SPUR  
Certified Planner and Member, American Planning Association (APA) and APA of California  
Elected Member, Lambda Alpha International, Honorary Society for Advancement of Land Economics  
Founding Steering Committee Member, Urban Land Institute Women's Leadership Initiative (WLI)  
Former Chair and Member, Urban Land Institute Urban Revitalization Council (URC, formerly ICC)  
Former President and Director Emeritus, MIT Club of Northern California (MITCNC)  
Member, Non-Profit Housing Association of Northern California (NPH)  
Member, Women President's Organization (WPO)  
Partner, League of California Cities  
Visiting Committee Member, MIT Department of Urban Studies and Planning

**Carnahan, David**

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**From:** Margaret Nanda <menanda@infogain.com>  
**Sent:** Monday, April 06, 2015 4:53 PM  
**To:** Council, City; Clerk, City  
**Cc:** Stump, Molly; Kolling, Grant; James Zahradka; Nadia.Aziz@lawfoundation.org; Sonya Welch  
**Subject:** Buena Vista Mobilehome Park  
**Attachments:** Rebuttal to Residents Association Appraisal Review 4-6-15.pdf

Attached please find the Park Owner's Rebuttal to the Residents Association Appraisal Review relating to the appraisals of the homes at Buena Vista Mobilehome Park.

Margaret Nanda

*Margaret Ecker Nanda*

*Attorney*

Margaret Ecker Nanda Attorney At Law

485 Alberto Way, Suite 100

Los Gatos, CA 95032

Direct 408.355.7010

Fax: 408.355.7094

[margaret.nanda@infogain.com](mailto:margaret.nanda@infogain.com)

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April 6, 2015

Palo Alto City Council Members  
City of Palo Alto  
250 Hamilton Ave  
Palo Alto, CA 94301

Re: Executive Summary of Appraiser, Dave Beccaria's, Reply Rebuttal to Resident's Association Appraisal Review for the upcoming Buena Vista Mobilehome Park Appeal.

Dear City Council Members:

### **Purpose**

The purpose of this supplemental report is to simplify and provide an easy-to-read summary of Appraiser, David Beccaria's, Rebuttal, which is attached, and replies to the criticisms of James Brabant's Appraisal Review. All information is taken directly out of Brabant's Review and Beccaria's Reply Rebuttal, which is attached. This summary shows Brabant's criticisms with Beccaria's rebuttal comments following immediately after.

### **Background Summary**

The Review by James Brabant (hereinafter "Review") purported to determine the credibility of the reports reviewed and not to develop independent opinions of market value. Brabant reviewed 32 appraisals prepared by Beccaria and Weber. The appraisals Brabant reviewed were dated in January and February of 2013. The Review took place March 23, 2015.

### **Review Criticisms and Beccaria's Rebuttal**

#### **1. Comparable Sales Criticism**

Brabant Criticism

Disagreement with Comparable Sales choices despite admission that Sales Comparison Approach was most appropriate valuation method.

#### **Beccaria Reply – The Criticisms about the comparable data do not hold up to close scrutiny.**

- Space #110 was not used *because the unit owner never reported the sale*, despite having the opportunity to do so from a data sheet Beccaria gave to the unit owner. #110 was also *not* reported on m.housing.com and *only showed up as a sale after the appraisals were completed*.
  - Beccaria agrees that this data point can be included in upcoming current valuations; however, it is an isolated data point outside of the historical range of verifiable sales in the Park.
  - It did not show in the data bank until after valuations were completed and the owner did not provide information about the sale, despite multiple requests that included posting an information request sheet on the unit's front door.
- Most of Buena Vista Units are single-wide homes and single-wide homes were selected as a basis for comparison, where appropriate. *There is a large discrepancy in value between single-wide and double-wide factory built homes. Adding an addition to a single-wide home does not change this fact.*

- Ex. The Review suggests #307 at Santiago Villa should have been used as a comparable, but it was not used because it is a double-wide home not a single-wide home.
- Ex. The Review suggests #249 at Santiago Villa should have been used as a comparable, but it was not used because it is also a double-wide home not a single-wide
- All sales data that was available at the time to Beccaria was used.
  - The Review Appraiser fails to understand the market that exists for the Buena Vista Mobilehome Park. There is a "black market" of sales within the park, perhaps hidden to avoid taxes or fees.
- Space #74 is comparable, despite Review's criticisms. Beccaria used data that was available and because no park model units had sold recently, he was compelled to use data that was available, such as #74.
- Space #202 at Sahara Village was included while other sales at Sahara Village (that the Review mentioned) were not because those other sales were not within 12 months of the appraisal report. The most current data was used. *None of the other sales mentioned in the Review regarding #202 were within 12 months of the effective dates of the appraisals.*
- Space #24 was not included as a sale for \$55k in 2006 because no supporting documentation of any sale was provided. Beccaria was unable to confirm any sale data on m.housing.com that would have substantiated a sale had occurred and Appraisal reports must verify data. It was also not the most current data and there were better more recent sales data within the actual park of Buena Vista.
- Space #73 was also not included as a sale for \$50k because no supporting documentation of any sale was provided and it could also not be confirmed on m.housng.com. Again, it was unverifiable data and was excluded for that reason.
- The Review references market data that sold subsequent to the effective date of the appraisals under review. This is not a valid criticism of the appraisals and the inclusion of this data speaks toward client advocacy.

## 2. Time Adjustment Criticism

### Brabant Criticism

No time adjustment was made to show mobilehome prices were going up.

### **Beccaria Reply – No Time Adjustments were made because the overall analysis of the market data in the sales comparison approach to value would have negated a time adjustment.**

- 2012 Sales were not adjusted for time. A time adjustment was considered for older sales but the overall data did not support a time adjustment because it would have been negative.
  - Ex. The median sale price in 2012 for mobilehome parks in Santa Clara County was \$70,000 but in 2006 the price was \$84,750. Thus, it would have been a negative adjustment.



- The stable box was checked because, even though the statistical analysis supported a moderate adjustment increase, the overall analysis of market data typically negated it within the report relative to the effect dates of the appraisal reports.

### **3. Criticism on failure to utilize single-family home data**

Brabant Criticism

There does not seem to be any recognition of the superior home prices in Palo Alto and its location value.

#### **Beccaria Reply - Single-family home data should not be used to relate to the determination of price increases for mobile homes in parks since the markets are entirely separate.**

- The verifiable history of sales in the mobile home park showed a range of \$1000 - \$30,000, some of those sales occurred at the peak of the 2005-2007 housing bubble, but none of them supported higher valuations, which proves that the high conventional housing prices in the City simply cannot pierce the market within this mobile home park, despite its Palo Alto location.
- Not one purchaser in the market for a single-family home or condominium in Palo Alto would accept housing at the Buena Vista Mobilehome Park.

### **4. Extraordinary Assumptions/ Hypothetical Conditions**

Brabant Criticism

Claims that Beccaria should not have assumed that additions were unpermitted.

#### **Beccaria Reply - The fact that the vast majority of Additions were not permitted is a relative certainty and factual truth.**

- Beccaria Reply: Only 2 of the 100+ units provided permits after copies of permits for additions were requested. The Park Owner / Manager indicated additions were not permitted. Appraiser investigations led us to believe with relative certainty all but the two additions were not made with permits.

### **5. Criticism on failure to factor in the Location of the Park**

Brabant Criticism

That superior home prices in the Palo Alto location should affect the rating of the Buena Vista mobilehome park relative to its comparability with other higher rated parks.

#### **Beccaria Reply - Despite the Palo Alto location, the Buena Vista Park's limited infrastructure, facilities, and high density negated a need for a location adjustment.**

- Based upon reviewed information, higher park caliber was judged to be offset by space rent differences.
- The Buena Vista Park caters to persons needing very affordably priced housing. The overall caliber of the Park is low with high density. Based on Beccaria's judgment, Park amenities, space rent, and location are intertwined.
- The history of the Buena Vista Park sales do not indicate a premium being paid for its location.

**BECCARIA & WEBER, INC.**  
**REALTORS, APPRAISERS, & PROPERTY MANAGERS**

830-F Bay Avenue, Capitola, CA 95010  
Bus: (831) 462-1406, Fax: (831) 462-3812  
Email: davidbeccaria@beccariaweber.com  
Home Page: [www.beccariaweber.com](http://www.beccariaweber.com)

ATTENTION: Margaret Ecker Nanda, Attorney  
485 Alberto Way Suite 100  
Los Gatos, CA 95030

March 25<sup>th</sup>, 2015

REBUTTAL TO APPRAISAL REVIEW DATED MARCH 23<sup>rd</sup>, 2015

Dear Margaret,

Thank you for the opportunity to address the issues laid before me in the appraisal review. With regard to the comments made by the review appraiser in his report dated March 23<sup>rd</sup>, 2015 I offer the following responses:

**COMPARABLE SALE SELECTION:** The review appraiser fails to understand the market that exists for this mobile home park. It is at times a “black market” with sales perhaps hidden from the government entities to avoid taxes or fees. In addition construction projects are almost always hidden from the government entities perhaps to avoid lack of permitting issues, taxes, or fees. The units in this mobile home park when available for sale are the last bastion for affordable housing in a very expensive area. Though the mobile home park is located in Palo Alto, it does not relate to any other market data within the City limits of Palo Alto. Most of the units in the park are single wide homes, most with additions, and where appropriate single wide homes were selected as a basis for comparison. Overall, the review appraiser simply does not comprehend the complications with regard to the assignment in that regard. The sales data selected for comparison to the subject units was the best data available relative to the effective dates of the report. The verifiable history of sales in the mobile home park showed a range of \$1,000 to \$30,000, some of those sales occurred at the peak of the 2005-2007 housing bubble but none of them supported higher valuations and that fact proves that the high conventional housing prices in the City, simply can not pierce the market within this mobile home park despite its Palo Alto location.

**SPACE #74:** The review appraiser highlights Space 74 in the park, a park model unit. He indicates that the comparable sales were not comparable. *That simply is not true.* Market participants riding in a car with a Realtor would have considered all of the comparable sales utilized in our appraisal report for this comparable sale, that makes them comparable. The fact that no park model units had sold recently in the subject mobile home park compelled us to utilize data that was available to us. The review appraisers criticism is unfounded and without merit and demonstrates a lack of market knowledge. He also criticized that lack of a time adjustment for this comparable sale, if one was to have been made it would have been a negative time adjustment, as the median sale price for 2012 for mobile homes in parks in Santa Clara County was \$70,000 compared to \$84,750 for 2006. The review appraiser's comments again are without substance. We did not make the negative time adjustment as the overall analysis of the market data in this extremely complex assignment negated it.

TIME ADJUSTMENT: 2012 sales were not adjusted for time. We considered a time adjustment for other older sales, however, the overall analysis of the market data in the sales comparison approach to value consistently negated a time adjustment. A time adjustment was not made for that reason. If primary data does not support a time adjustment than utilizing statistical data as a basis is not reasonable. The review appraiser suggests relying upon the housing prices in the market area for single family homes as a basis for the time adjustment. That is simply ludicrous, not one of the purchasers in the market for a single family home or condominiums in Palo Alto would accept housing at this location. It is much more appropriate to utilize sales data from mobile home parks in other communities where the income levels of the market participants are most similar. The stable box was checked in the appraisal reports for direction in values, as though the statistical data supported a moderate adjustment, overall analysis of market data typically negated it within the reports relative to the effective dates of the appraisal reports.

With regard to the inclusion of Space 202 for Sahara Village and excluding other sales in Sahara Village. None of the other sales mentioned in the reviewer's comments were within 12 months of the effective date of the report. His criticism is unfounded as we selected the most recent comparable sale from the park of a single wide home. It would have been misleading to select other comparable sale data that was more dated. It really is a ridiculous criticism in light of the effective date of the report. If implemented the review appraisers comments would lead to a misleading report as the most current sales data relative to the report would be excluded.

With regard to the reviewer's comments on the comparable sale selection in the appraisal report for the comparable sales selected from Santiago Villa MHP in Mountain View, again the review appraiser misses the importance of the sales that were selected ahead of the other sales that had sold. Sale #307 in Santiago Villa is a double wide home and was not included in our valuations for single wide homes for that reason. Space #249 in Santiago Villa is also a double wide home. It is misleading to include higher priced data when it is not most similar to the subject. The review appraiser's comments again are incorrect. There is a large discrepancy in value between single wide factory built homes and double wide factory built homes. Adding an addition to a single wide home does not change this basic fact.

DATA VERIFICATION: Data Verification: Collect, Verify, Analyze....USPAP 2012-2013 in effect at the time of the assignment - Standard Rule 7-4 requires data collected needs to be verified prior to be included in the report and analyzed. On three occasions we were not able to confirm sales data of prior sales of units in the park.

With regard to Space #110 in this mobile home park, our data sheet that was provided to the unit owner for his completion was not returned to us so we were not made aware of this sale by the property owner. The unit owner had opportunity to report this sale to us but did not. In addition this sale mentioned by the review appraiser was not noted in the M.housing.com web site as a sale in the subject mobile home park at the time of the valuation. *It only later showed up in M.housing after the assignment was completed.* In addition this sale was not reported on the local MLS. The sale was not included in the valuation as it was not made available to us for verification and only showed up in the data service after the assignment was completed. We can not report what was not available to us. Perhaps due to housing pressures in the area, with regard to Space #110, it is my opinion that the purchaser/owner grossly overpaid for that property in light of the proper comparable sale data analyzed in our report as it is not supported at any point in time by any other verifiable sale in the subject mobile home park, even those sales that occurred at the peak of the housing bubble.

With regard to Space #24 in this mobile home park. The owner provided verbal representation that the unit sold for \$55,000 in 2006. We asked for supporting documentation but were not provided any. We were unable to confirm this information with m.housing.com that did not note a sale of this home in 2006 or at anytime thereafter. Again in an appraisal report we are required to collect data, verify data, and then and only then analyze that data. We were unable to substantiate this sale with a party or data service independent of the parties to the matter at hand. It was excluded from the valuation for that reason. If it had been included and a time adjustment was made it would not have been a positive adjustment but instead it would have been a negative adjustment as the median sale price for 2012 for mobile homes in parks in Santa Clara County was \$70,000 compared to \$84,750 for 2006. The review appraiser's comments again are without substance. It could not have been included in the report in any event as there was better more recent sales data even within the park that were confirmed by the appraiser (myself).

With regard to Space #73 in this mobile home park. The property owner indicated verbally that the unit was purchased in 2003-2004 for \$50,000. We asked for supporting documentation but were not provided any. Again we were unable to confirm this information with m.housing.com that did not note a sale of this home since between 1980 and 2013. Again in an appraisal report we are required to collect data, verify data, and then and only then analyze that data. We were unable to substantiate this sale. It was excluded from the valuation for that reason. If it had been included and a time adjustment was made it would not have been a positive adjustment but instead it would have been a negative adjustment as the median sale price for 2012 for mobile homes in parks in Santa Clara County was \$70,000 compared to \$84,750 for 2006. The review appraiser's comments again are without substance.

**WHY A HYPOTHETICAL CONDITION:** With regard to the selection of a hypothetical condition for the unpermitted additions, we interviewed all of the residents in the park and requested copies of permits for additions, as I recall only two were provided out of the 100+ units appraised. In addition the park owner/manager indicated that the additions were not permitted. Our investigations led us to believe with *relative certainty* that all but perhaps two of the additions to the units in this mobile home park were unpermitted. Thus we made it a hypothetical condition and appraised the properties "as if" the units were properly permitted. The fact that our investigation led us away from making an arbitrary extraordinary assumption to a hypothetical condition was due to the fact that we had *relative certainty* that there was no permitting for the bulk of the additions built to the units in the park. We believe that to a *factual truth*, not an assumption.

**LOCATION:** The subject mobile home park is a market segment catering to persons needing very affordable priced housing in an area of extremely high conventional housing prices. The overall caliber of this park is low with high density noted. In the judgment of the appraiser the issues of space rent, location, and park amenities are intertwined. The history of verifiable sales in the park do not note a premium being paid for sales in the park even at the peak of the housing bubble for units in this mobile home park. We judged that no adjustment for these issues was necessary as the market had not proved an adjustment based upon verifiable sales in the subject's mobile home park. I believe this to be true and correct. In studying the locational issue we noted at the time of the appraisal report that sales in Sahara Village ranged from \$10,000 to \$115,880 with an average sale price of \$56,653 for a total of 27 sales reported on M.housing.com during the two year period between 1/3/2011 and 1/3/2013. With regard to Santiago Villa sales ranged from a low of \$500 to a high of \$165,000. The average sale price was \$71,691 for 45 sales reported on M.housing.com during the two year period between 1/3/2011 and 1/3/2013. Based upon this information we judged higher park caliber to be basically

offset by space rent differences. The Palo Alto location of the subject mobile home park due to the park's limited infrastructure, facilities, and high density simply negated the need for a location adjustment.

**SQUARE FOOTAGE DIFFERENCES:** We utilized a square footage adjustment of \$20 per sq. ft. in all of the appraisals as in doing our overall analysis of the market data, that is the adjustment that reconciled values most closely in each report. This is a market segment in a tight market with market participants of this income level having few alternate choices. Perhaps none in this community. Square footage is valued by the market participants, as many have the need for additional size. There is a minimum adjustment required to all of the comparable sales, that does not parallel appraisals of conventional housing due to the pressure on the market participants. It was our judgment on even small units to make a consistent adjustment. With regard to the review appraisers criticism of the appraisal of Space #74 and the square footage adjustment utilized, the adjustment for square footage does not relate to the price paid per sq. ft. of the unit. The square footage adjustment is made for incremental differences. It is inappropriate to reference this as a valid criticism and it is misleading.

**AGE ADJUSTMENT:** An age adjustment of \$100 per year is made to the comparable sales based upon an overall analysis of the market data. The data simply did not support a higher adjustment. This is a compressed market segment in an area of high conventional housing costs with. A higher adjustment would have simply distorted the findings. The adjustment needs to be nominal as age of the unit is not a primary reason for purchase of a unit, there simply is a basic need for housing that is not met in the community, and age is accepted by market participants, the market data clearly reflects this statement. A condition adjustment was also made where appropriate in all of the valuations.

**SITE VALUE:** The review appraiser references market data that sold subsequent to the effective date of the appraisals under review. He indicated that Space 200 in Sahara Village sold for \$48,000 in November of 2014 and commented that it had been removed from the park. ***How could we have known that this would occur nearly two years later?*** Again he criticized our reports because Space 139 in Santiago Villa sold for \$43,000 in September of 2013 and was removed from the park in favor of a new manufactured home. ***Again, how could we have known that this would occur nearly 8 months later?*** These are not a valid criticisms of our appraisal reports. Their inclusion in this appraisal review speaks toward client advocacy as it goes beyond an appraisal review relative to the effective date of the appraisal report.

Curiously this information demonstrates the review appraiser's misinterpretation of the market units in the subject mobile home park. In these competing parks where a buyer simply was purchasing the pad (leasehold) and not valuing the mobile home that was in place, those competing parks are also capable of handling new manufactured homes. The subject park's infrastructure is significantly inferior to these competing parks and it is incapable of handling new manufactured homes. That is one of the reasons that the "black market" has persisted, instead of replacing the older units, they have been renovated and added to without building permits. New units have not been installed in the subject mobile home park with the exception of a few park model units with low amperage. That's where this criticism of the review appraiser breaks down. The subject park is a high density park of low quality with dated infrastructure that caters to persons of low income households. They value just having a place to live and they are willing circumvent the permitting process to achieve that goal.

COMMENTS ON THE RISING MARKET: I am in agreement with the review appraiser that the market has been in a period of rising prices since the time of the appraisal reports (January and February of 2013). As you are aware I have noted that in prior correspondence even providing at one time some statistical information to correlate that statement. I have attached an updated median sale price history for Santa Clara County for mobile and manufactured homes in mobile home parks that clearly demonstrates the pressure on prices in this market segment. See Chart 1 that is attached.

I disagree that an increasing market subsequent to our valuations should be a criticism of our body of work as we had no way of knowing prices would increase. *I am not a prophet or a seer.* I report facts relative to the effective date of the assignment. The review appraiser has indicated that he did not intend it as criticism, however it does indirectly suggest that, so that is why I provided this paragraph as a rebuttal. In addition an appraisal review should be focused on the valuation date and not detailed information that occurred subsequent to the valuation date.

Furthermore, it is ludicrous to utilize statistical data for single family homes to relate to this property for time adjustments or determination of increasing prices for mobile homes in parks. Mobile home park data should be solely utilized for primary reference. As background information only, should single family or condominium/townhouse statistical data be referenced.

CONCLUSION: Our reports are valid relative to the effective date of the reports. I do agree the market has increased since the time of the appraisal reports. I also agree that Space #110 can be included in the valuations as of a current date, but it was not a verifiable sale at the time of the effective date of the appraisal reports and can not be utilized as a basis for criticism. In addition it appears to be an isolated data point, outside of the historical range of verifiable sale prices in the mobile home park. It did not show in the data bank until after the valuations were completed and the unit owner did not provide that information to us despite several attempts including posting our information request sheet on the unit's front door.

In other respects I am mostly in disagreement with the reviewer's comments as noted on the preceding pages.

Sincerely,



David F. Beccaria, MBA, IFAS, IFA, ASA, GAA, RAA, MRICS  
Certified General Real Estate Appraiser, #AG001943  
Expires 3/3/2017

# BUENA VISTA MOBILE HOME PARK TWO YEAR SALES HISTORY

Comps Data Page 1 of 1

**www.mhousing.com - COMPARABLE SALES REPORT**

From : 1/3/2011 to 1/3/2013	Park Name : <b>BUENA VISTA MHP</b>
Report date : 1/3/2013	Park Address : 3980 EL CAMINO REAL PALO ALTO, CA 94306
<a href="#">See a Problem? Send us an Error Report.</a>	Spaces : 104
No details linked to the above park details	

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Please provide us with the details. Our support staff will respond to your email within 24-48 hours.

*SUBJECT PARK  
PARK 2 YEAR  
SALES HISTORY*

<http://www.mhousing.com/reports/qhome4.asp?parkid=43-0003&report=&diff=two> 1/3/2013