

From: [Ken Kravenas](#)
To: [Rogers, Chris](#)
Cc: [CMOffice](#); [Basinger, Megan](#); [City Council Public Comments](#)
Subject: [EXTERNAL] Mobilehome Park Fair Return Application Information – Real World Outcomes
Date: Tuesday, December 6, 2022 11:30:51 AM
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[City Manager Decision Letter El Rovia Petition 07-21-2022 REVISED.pdf](#)
[City Manager Decision Letter El Rovia Petition 9-23-2021 -2019 FR.pdf](#)
[2018 fair return Space Rent Adjustment Decision 072720.pdf](#)

Mayor Rogers,

The attached documents are in response to Council's request for examples of real-world outcomes of fair return rent hearings in mobilehome parks. This discussion occurred during Council's meeting on November 29 during agenda item 15.1. Many Councilmembers expressed interest in learning more about the fair return rent increase process. It's unfortunate that Council voted to amend the City's mobilehome rent ordinance without giving City Staff the time or the opportunity to perform adequate research and report back to Council. I believe this information is critical to understanding the short and long-term implications of amending the current ordinance.

I am providing this additional information with the hope that City Council postpones the second reading of the proposed amendments to Santa Rosa City Code Chapter 6-66 – Rent Control - Mobilehomes. Postponing will allow City Staff more time to research the issue so the Council can make a fully informed decision.

The attached documents show a mobilehome park owner in El Monte was awarded three fair return rent increases for \$132.44, \$97.58, and \$104.17 in permanent rent increases and an additional \$25.69, \$39.19, and \$32.05 in temporary rent increases. The result of these increases was a \$334.19 permanent increase to the rent of all residents in the park and an additional \$96.63 temporary increase to all sites to collect legal fees associated with the fair rate of return hearing.

El Monte also has a rent control ordinance (Title 8, Chapter 8.70 Ordinance No. 2860) which allows for annual rent increases not to exceed 100% of CPI, terms that are more favorable than what is allowed in Santa Rosa. As park owners and City Staff have repeatedly pointed out to the Council, park owners have a constitutional right to earn a fair rate of return. The owner in El Monte was able to show that their rent did not produce a fair rate of return and was awarded multiple rent increases that far exceeded the limitations of the rent control ordinance.

At last week's meeting, some Councilmembers mentioned that they were voting in favor of amending the Santa Rosa ordinance because they would rather err on the side of being overly restrictive on rents, even if that meant there would be a higher probability of a fair return rent increase application. Additional comments were made about learning a lot from the first fair return application. I understand that those comments come from a desire to protect current residents, but as you can see from the outcomes in the attached documents, there is a real risk that the outcome of the fair return application is a rent increase that is well above what residents have been used to in the past. A vote to approve the proposed amendments to the Santa Rosa rent control ordinance will almost certainly produce multiple fair rate of return applications.

To reiterate, I believe postponing the second reading of the proposed amendments to Santa Rosa City Code Chapter 6-66 – Rent Control - Mobilehomes will allow City Staff the time they need to gather the research needed to make a recommendation that ensures the most vulnerable residents are taken care of, without risking the unintended consequences of a fair rate of return hearing.

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