



# MOBILE HOME RENT CONTROL ORDINANCE

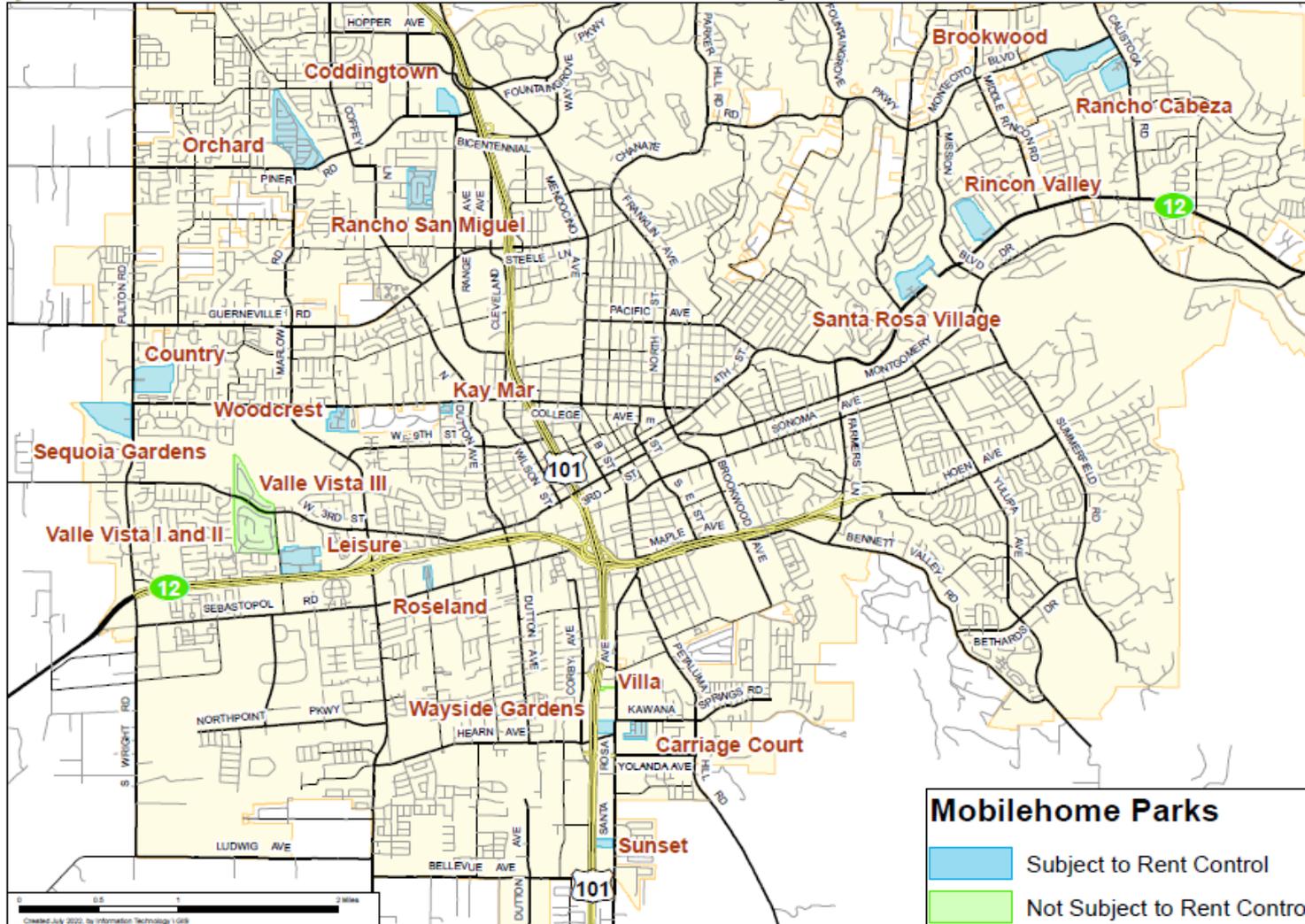
City Council  
November 29, 2022

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& Community Services  
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# Mobilehome Park Locations



## Mobilehome Parks in the City of Santa Rosa



# Mobilehome Parks

## 16 Mobilehome Parks in the City of Santa Rosa

		*Spaces currently under rent control	Spaces currently <u>NOT</u> under rent control	Total spaces
Senior-Age Parks (55+)	12	1,356	398	1,754
All-Age Parks	4	334	67	401
<b>Total Parks</b>	<b>16</b>	<b>1,690</b>	<b>465</b>	<b>2,155</b>

\*Spaces subject to rent control as of February 1, 2022

# Uniqueness of Mobilehome Parks

- Rented apartments/homes fundamentally different
- Own home, but rent space
- Not “mobile”
- Low space turnover
- Seniors/fixed incomes

# Ordinance History

1993

- Added Chapter 6-66 to the City Code
- Purpose: To allow for reasonable annual rent increases to protect mobilehome residents, while providing a fair return to mobilehome park owners
- Legal Test: Park Owners are entitled to a fair return, but cities and counties have significant discretion

# Ordinance History

- Established Mobilehome Park Policy Board (MHPPB) to administer and enforce the Ordinance
  - Operated from 1993-2001
  - 5 Board Members appointed by the Council
  - 2 non-voting board advisors selected by the Board, one each to represent the residents and the park owners

# Ordinance History

1995 – 2004

- Council adopted amendments to the Ordinance 13 times.
- Eliminated MHPPB. Created a process for pass-throughs and fair return rent increases hearings heard by an independent arbitrator
- Hearings paid for by administrative fees collected

# History of Allowable Annual Rent Increases

- 100% of CPI
- 1993: Max 8% / Min 4%
- 1995: Max 7% / Min 3%
- 2004: Max 6% / No Min

# Sonoma County jurisdictions with Mobilehome Rent Control

Annual Limits – 100% CPI / 6% Cap

- County of Sonoma
- Cotati
- Petaluma
- Sebastopol
- Windsor

Rohnert Park – ½ of 1% Less than CPI/4% Cap

City of Sonoma – 80% CPI/5% Cap

# Stakeholder Meetings

- August 18, 2022, with Mobilehome Park Owners
- August 25, 2022, with Mobilehome Park Residents
- Residents want annual increase reduced, raised concern about protecting those most economically vulnerable
- Park Owners shared that that concern

# Stakeholder Meetings (cont'd)

- Ad Hoc of Owners and Residents met with staff
- Goal: To reach a consensus
- 3 Meetings held in October/November
- Progress was made, both sides moved off original positions
- Key elements emerged
  - Percentage of CPI
  - Annual Cap
  - In-place transfers

# In-Place Transfers

- Occurs when Resident sells home to another person
- Currently, Ordinance provides for a limited increase in half of the parks and no increase in other half
- Typically, jurisdictions that have a less than 100% CPI increase, allow Park Owners an in-place transfer increase

# Proposals

	CURRENT	RESIDENTS	OWNERS	STAFF RECOMMENDATION
CPI	100%	65%	75%	75%
CAP	6%	3.5%	6%	5%
IN-PLACE TRANSFERS	NONE/ MINIMAL	3.5%	15%	10%
VOLUNTARY SUBSIDY FUND*			\$100,000/ YEAR	

\* (TO PROTECT MOST ECONOMICALLY VULNERABLE RESIDENTS)

# Rent Subsidy/Rent Deferral

- Concern voiced by Residents at stakeholder meeting
- Administrative fee balance is about \$800,000
  - Funds may be needed to address Ordinance
- Owners' offer is a subsidy – not a loan
  - Based on their proposal of 75% of CPI, 6% cap
- Additional time needed to evaluate program - return to Council in 2023

# Rationale for Staff's Recommendation

- Provides for decrease in annual rent increases
  - No request for fair return hearing since 1999
  - Last 10 years – CPI increases outpaced Social Security COLA by about 10%
- Owners - If amendment is less than recommendation:
  - Significant risk of frequent fair return hearings
  - Park maintenance may be impacted

# Average Rent

- Currently = \$721/month
- If no Ordinance Change = \$762/month  
(starting January 1, 2023)
- 75% of CPI = \$752/month
- 65% of CPI = \$748/month

# Recommendation

It is recommended by the Housing and Community Services Department and the City Attorney's Office, that Council introduce an ordinance amending Chapter 6-66 of the Santa Rosa City Code to: (1) reduce the allowable annual rent increases from 100% of CPI with a 6% cap to 75% of CPI with a 5% cap; (2) allow for a 10% increase in space rent following an In-Place Transfer; and (3) make other minor amendments to conform to changes in State law.

QUESTIONS?