



AMENDMENT TO CHAPTER 6-66, RENT CONTROL - MOBILEHOMES

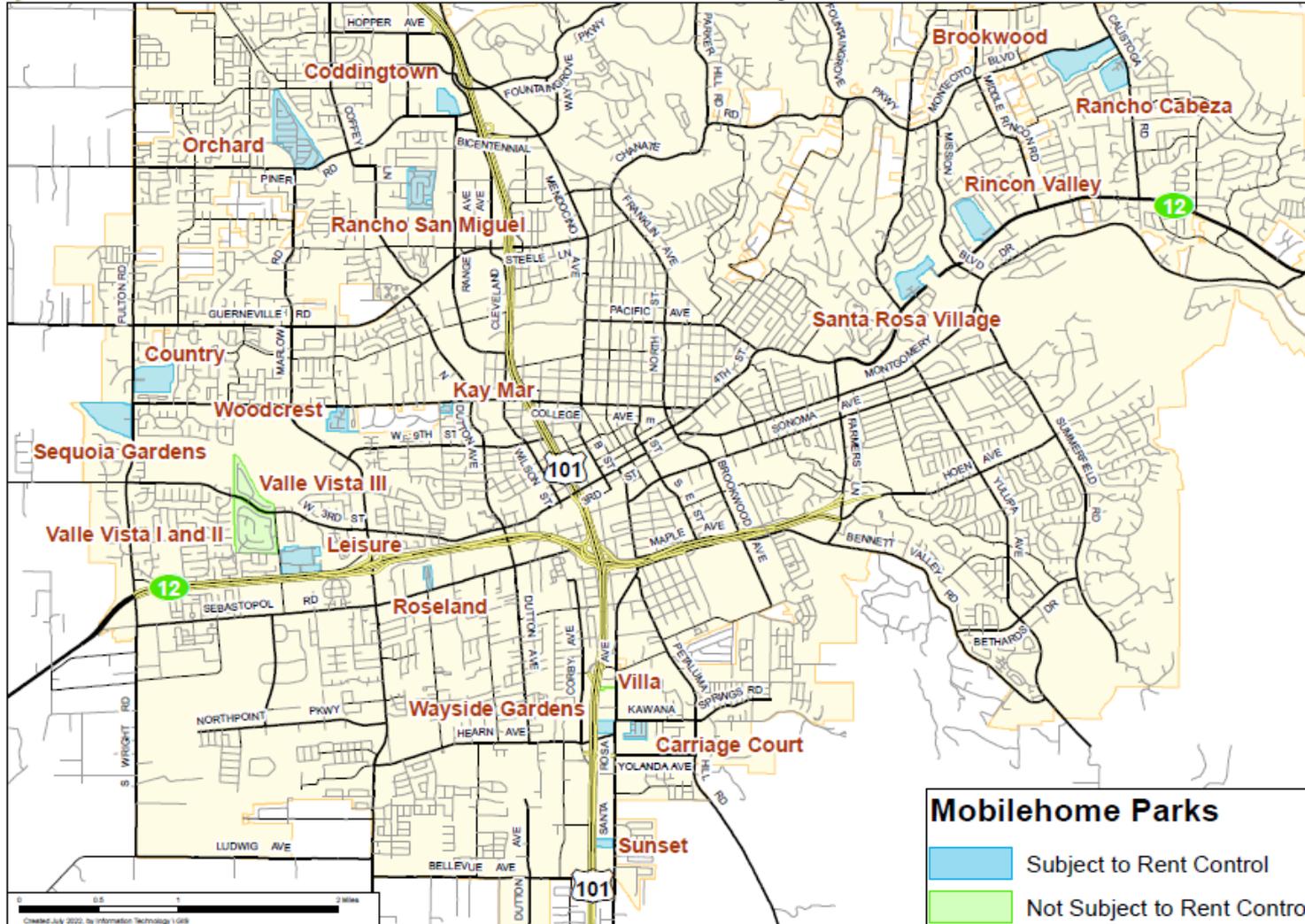
City Council
June 20, 2023

Megan Basinger, Director Housing
& Community Services

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	11	1,546	398	1,679
All-Age Parks	5	406	67	475
Total Parks	16	1,952	465	2,154

*Spaces subject to rent control as of February 1, 2023

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
- 2023: 70% of CPI, Max 4%

Sonoma County jurisdictions with Mobilehome Rent Control

Annual Limits – 100% CPI / 6% Cap

- County of Sonoma
- Cotati
- Petaluma*
- Sebastopol

Windsor (2023) – 75% of CPI/4% Cap

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

City of Sonoma – 80% CPI/5% Cap

* Evaluating an Amendment to Ordinance

2023 Ordinance Amendment

- Council adopted an Amendment to the Ordinance:
 - Reduced maximum rent increases from 100% of CPI up to 6% to 70% of CPI up to 4%
 - Ordinance effective January 6, 2023
- Parks with rent increases on January 1st increased at 100% of CPI
- Allows for 10% rent increase on In-Place Transfer

Further Amendment

- Desire to adjust 2024 rent increases for residents whose rent increased prior to January 6th
- Additional language added to Ordinance to limit the cumulative rent increases for calendar years 2023 and 2024 to the lesser of:
 - (A) Four percent (4%) rent increase for 2023, plus the allowed increase in rent for 2024 under Chapter 6-66 equal to 70% of the increase in annual CPI as of August 2023, not to exceed 4%), or
 - (B) Eight percent (8%) of the rent charged for the space in 2022.

Examples:

2022 Space Rent	\$700.00
5.7% CPI Increase	5.70%
Allowed Rent	\$739.90
2023 Rent	\$739.90
70% CPI (4.2% CPI*)	2.94%
Rent Increase	\$21.75
Estimated 2024 Rent	\$761.65

2022 Space Rent	\$700.00
4% CPI Increase	4%
Allowed Rent	\$728.00
2023 Rent	\$728.00
70% CPI (4.2% CPI*)	2.94%
Rent Increase	\$21.40
Estimated 2024 Rent	\$749.40

Recommendation

It is recommended by the Housing and Community Services Department that the Council introduce an ordinance amending Chapter 6-66 of the Santa Rosa City Code, Rent Control — Mobilehomes, to limit the cumulative rental increase for any mobilehome space in the combined calendar years 2023 and 2024 to the lesser of:

- (A) Four percent (4%) rent increase for 2023, plus the allowed increase in rent for 2024 under Chapter 6-66 (equal to 70% of the increase in annual CPI as of August 2023, not to exceed 4%), or
- (B) Eight percent (8%) of the rent charged for the space in 2022.

QUESTIONS?