



# AMENDMENT TO CHAPTER 6-66, RENT CONTROL - MOBILEHOMES

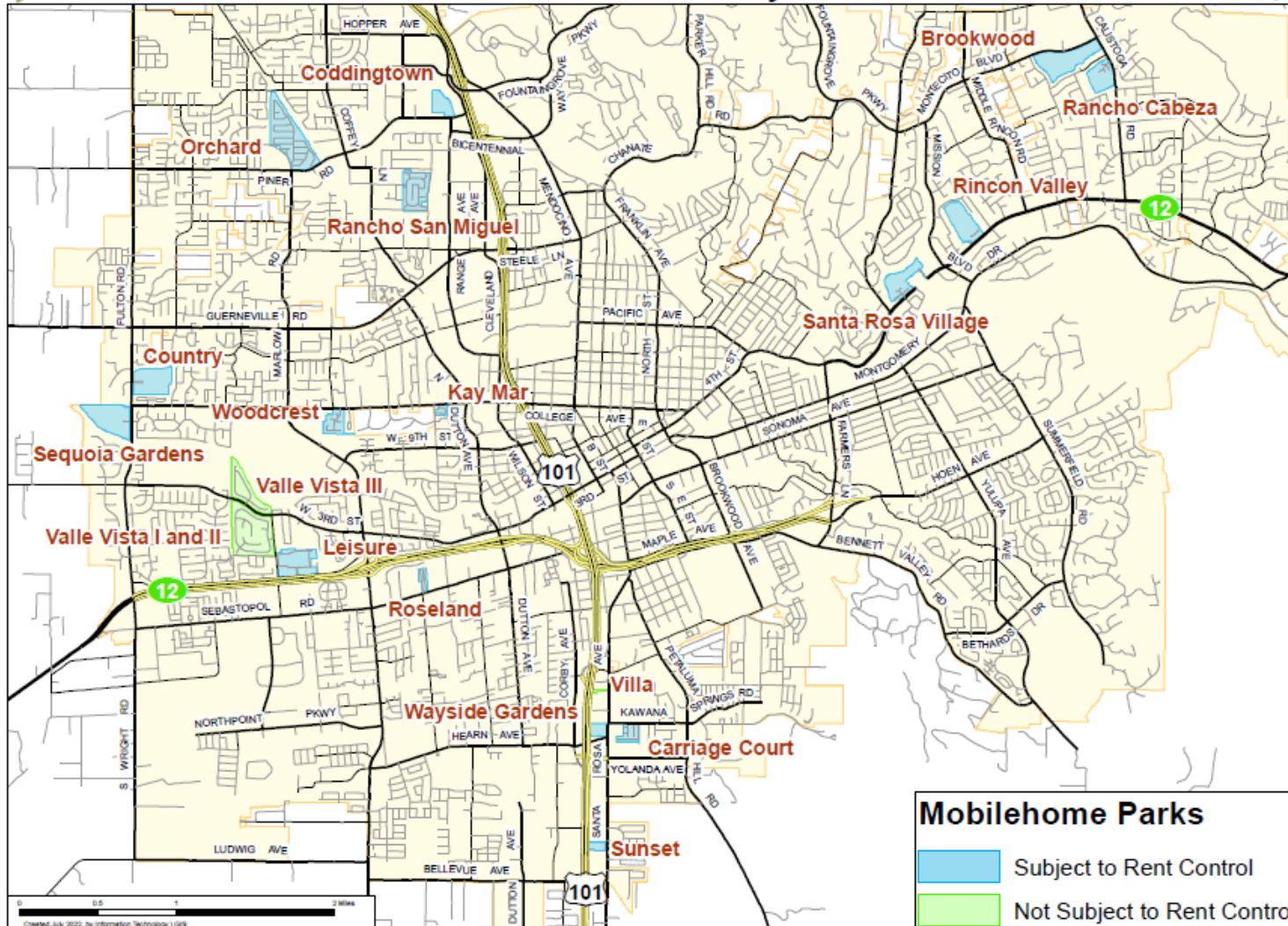
City Council  
June 20, 2023

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      | <b>16</b> | <b>1,952</b>                         | <b>465</b>                                     | <b>2,154</b> |

\*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 1<sup>st</sup> 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 6<sup>th</sup>
- Additional language added to Ordinance to limit the cumulative rent increases for calendar years 2023 and 2024 to the lessor 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:

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

|                            |                 |
|----------------------------|-----------------|
| <b>2022 Space Rent</b>     | <b>\$700.00</b> |
| <b>4% CPI Increase</b>     | <b>4%</b>       |
| <b>Allowed Rent</b>        | <b>\$728.00</b> |
|                            |                 |
| <b>2023 Rent</b>           | <b>\$728.00</b> |
| <b>70% CPI (4.2% CPI*)</b> | <b>2.94%</b>    |
| <b>Rent Increase</b>       | <b>\$21.40</b>  |
| <b>Estimated 2024 Rent</b> | <b>\$749.40</b> |

# 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?