Mobilehome Rent Review Commission
Agenda
January 13, 2016 – 1:00 PM

City Council Chambers - Yucaipa City Hall
34272 Yucaipa Blvd., Yucaipa, California

THE CITY OF YUCAIPA COMPLIES WITH THE AMERICANS WITH DISABILITIES ACT OF 1990. IF YOU REQUIRE SPECIAL ASSISTANCE TO ATTEND OR PARTICIPATE IN THIS MEETING, PLEASE CALL THE CITY CLERK'S DEPARTMENT AT (909) 797-2489, AT LEAST 48 HOURS PRIOR TO THE MEETING.

ANY PUBLIC WRITINGS DISTRIBUTED BY THE CITY TO AT LEAST A MAJORITY OF THE COMMISSION REGARDING ANY ITEM ON THIS REGULAR MEETING AGENDA WILL BE MADE AVAILABLE AT THE PUBLIC RECEPTION COUNTER AT CITY HALL, LOCATED AT 34272 YUCAIPA BOULEVARD, DURING NORMAL BUSINESS HOURS.

IF YOU WISH TO ADDRESS THE COMMISSION DURING THE MEETING, PLEASE COMPLETE A SPEAKERS FORM AND RETURN IT TO THE CITY CLERK PRIOR TO THE BEGINNING OF THE MEETING. THERE IS A *THREE-MINUTE* TIME LIMIT FOR SPEAKING.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

CEREMONIAL

OATH OF OFFICE

PUBLIC COMMENT

COMMISSION BUSINESS

P. 2 **1. SUBJECT**: COMMISSION REORGANIZATION.

RECOMMENDATION: That the Mobilehome Rent Review Commission choose one of its members as Chairperson and another of its members as Vice-Chairperson.

DISCUSSION AND ACTION

P. 3 **2. SUBJECT**: APPROVE COMMISSION MINUTES OF MARCH 4, 2015.

RECOMMENDATION: That the Commission approve the Mobilehome Rent Review Commission Minutes of March 4, 2015.

P. 5 **3. SUBJECT**: BIENNIAL REVIEW OF MOBILEHOME RENT STABILIZATION ORDINANCE AND RESOLUTION.

RECOMMENDATION: That the City of Yucaipa Mobilehome Rent Review Commission conduct a review of the Mobilehome Rent Stabilization Ordinance (Yucaipa Municipal Code Chapter 15.20) and the Administrative Rules last amended by Resolution No. 2011-52, and direct staff as appropriate.

ADJOURNMENT

Agenda Item No. 1

CITY OF YUCAIPA
AGENDA REPORT

TO: Honorable Commissioners

FROM: Jennifer Shankland, Rent Administrator

FOR: Meeting of January 13, 2016

SUBJECT: Mobilehome Rent Review Commission Reorganization

RECOMMENDATION:

That the Mobilehome Rent Review Commission choose one of its members as Chairperson and another of its members as Vice-Chairperson.

DISCUSSION:

The adopted Mobilehome Rent Stabilization Administrative Rules §1.0028 states that the Mobilehome Rent Review Commission shall elect the Chairperson and Vice-Chairperson. The Chairperson and Vice-Chairperson shall be elected for a term of one (1) year. No Commissioner may hold the office of Chairperson for more than two (2) successive terms of one (1) year each.

Agenda Item No. 2

City of Yucaipa
Mobilehome Rent Review Commission Minutes
Regular Meeting of March 4, 2015

A Regular meeting of the Mobilehome Rent Review Commission of the City of Yucaipa, California was called to order in the Council Chambers, 34272 Yucaipa Boulevard, Yucaipa, California, on March 4, 2015 at 3:30 PM.

PRESENT: Mark Bender, Commissioner
Hayden Martin, Commissioner
Thomas Powell, Commissioner
Mark Marnati, Commissioner
Jennifer Shankland, Director of General Services/Rent Administrator
Amy Greyson, Commission Attorney

ABSENT: None

CONVENE MOBILEHOME RENT REVIEW COMMISSION

The meeting was opened with the Pledge of Allegiance.

CEREMONIAL

Director of General Services/Rent Administrator Shankland administered the Oath of Office to the Commissioners.

PUBLIC COMMENT

None

COMMISSION BUSINESS

1. **SUBJECT**: COMMISSION REORGANIZATION.

RECOMMENDATION: That the Mobilehome Rent Review Commission choose one of its members as Chairperson and another of its members as Vice-Chairperson.

DISCUSSION: Director of General Services/Rent Administrator Shankland provided procedural guidelines for the process and opened nominations for the position of Chairperson.

Commissioner Marnati nominated Commissioner Martin for Chairperson.

Director of General Services/Rent Administer Shankland closed nominations for the Chairperson position.

Commissioner Martin was selected by a majority vote for the office of Chairperson.

Director of General Services/Rent Administrator Shankland opened nominations for the position of Vice-Chairperson.

Chairperson Martin nominated Commissioner Marnati for Vice-Chairperson.

Director of General Services/Rent Administer Shankland closed nominations for the Vice-Chairperson position.

Commissioner Marnati was selected by a majority vote for the office of Vice-Chairperson.

DISCUSSION AND ACTION

2. **SUBJECT**: RECEIVE AND FILE COMMISSION MINUTES OF FEBRUARY 12, 2013.

RECOMMENDATION: That the Commission receive and file Mobilehome Rent Review Commission Minutes of February 12, 2013.

The Commission received and filed the Mobilehome Rent Review Commission Minutes of February 12, 2013.

STUDY SESSION

3. **SUBJECT:** THE COMMISSION WILL HOLD A TRAINING SESSION REGARDING THE YUCAIPA MOBILEHOME RENT STABILIZATION ORDINANCE, ADMINISTRATIVE RULES, AND RULES AND PROCEDURES FOR THE CONDUCT OF HEARINGS.

DISCUSSION: Commission Attorney Greyson conducted the training session.

ADJOURNMENT

The meeting adjourned.

Hayden Martin
Chairperson

ATTEST:

Jennifer Shankland
Director of General Services/Rent Administrator

APPROVED AT THE MEETING OF: _____

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Agenda Item No. 3

CITY OF YUCAIPA
MOBILEHOME RENT REVIEW COMMISSION
AGENDA REPORT

TO: Mobilehome Rent Review Commission

FROM: Jennifer Shankland, Rent Administrator

FOR: Mobilehome Rent Review Commission of January 13, 2016

SUBJECT: Biennial Review of Mobilehome Rent Stabilization Ordinance and Resolution

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RECOMMENDATION

That the City of Yucaipa Mobilehome Rent Review Commission conduct a review of the Mobilehome Rent Stabilization Ordinance (Yucaipa Municipal Code Chapter 15.20) and the Administrative Rules last amended by Resolution No. 2011-52, and direct staff as appropriate.

BACKGROUND

The Mobilehome Rent Stabilization Ordinance ("Ordinance") requires that the City carry out a review of the Ordinance during odd-numbered years (YMC §15.20.140.) The last review was completed in 2011. That review resulted in extensive modifications to both the Ordinance and Administrative Rules.

On March 10, 2015, staff notified Park Owners, Park Owner Organizations, and the Park Resident Organization of the upcoming biennial review and requested that they submit comments regarding the Ordinance and/or Administrative Rules, by April 3, 2015. Staff received comments from the Yucaipa Mobilehome Residents Association ("YMRA"), Manufactured Housing Educational Trust ("MHET"), Western Manufactured Housing Communities Association ("WMA"), Augusta Communities, Bel Aire Mobile Estates, LLC, Real Estate Advisors, Inc., and Calanda Real LP. .

Since the 2011 Biennial Review, the following rent adjustment applications were submitted to the City:

2011 – Current	Final Decision	Type	Base Rent Increase	Kavanau	Galland
Yucaipa Village	Apvd – MRRC Reso 2011-52	MNOI	$81.29		$11.61
Caravan	Apvd. – Administrative	Cap. Imp	$15.28		

Since the 2011 Biennial Review, all parks have implemented annual adjustments each year, based on 80% of the increase in CPI since the prior year. A chart showing average rents in each park is attached to this Staff Report as Attachment A.

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The intent of this Study Session is to address issues that have arisen since the last biennial review that are based on legal considerations, clarification to provisions and procedures, political and policy issues, and other issues raised by staff and various stakeholders, and to identify potential amendments to the Ordinance or Administrative Rules based on those issues . This Study Session will provide the Commission with an opportunity to discuss these issues and potential amendments, to seek further information if necessary, to receive input from various stakeholders, and ultimately provide general direction to staff and recommendations for consideration by the City Council. Staff will then prepare a report for the City Council conveying the recommendations of the Commission and staff recommendations, if they differ from the Commission recommendations, on possible amendments to YMC Chapter 15.20 or the Administrative Rules.

The following issues that have been raised by staff, staff counsel, and stakeholders, have been broken down into categories by commentator to assist in this process. If the City Council adopts any amendments made to the Ordinance or Administrative Rules, which relate to public hearings on rent adjustment applications to the Commission or appeals, those amendments will also be reflected in the Rules and Procedures for Conduct of Mobilehome Rent Public Hearings document and application forms. To assist the Commission's review and consideration of the issues, this Staff Report includes additional back-up materials and all of the written comments submitted by the stakeholders, and additional supporting materials, which are enclosed as Attachments A through O. Staff previously provided the Commission with copies of the current Ordinance, Administrative Rules, and Rules and Procedures for Conduct of Mobilehome Rent Public Hearings.

RECOMMENDATIONS FOR POLICY CHANGES AND IMPROVEMENTS IN THE ADMINISTRATION OF THE ORDINANCE.

Admin

1. **(Temporary Rent Adjustments)** - In *Galland v. City of Clovis* (2001) 24 Cal.4th 1003, the California Supreme Court ruled that park owners should be allowed to include the costs of the hearing process in a rent adjustment in order to prevent a confiscatory result. Based on the *Galland* decision, the Ordinance and Administrative Rules were amended to allow consideration of a temporary rent adjustment (sometimes referred to as a "*Galland* adjustment") in conjunction with a Special Rent Adjustment application for a Maintenance of Net Operating Income ("MNOI") rent adjustment, Readjustment to Base Year NOI rent adjustment or Fair Return rent adjustment. YMC §15.20.116 provides that if a park owner obtains approval of a Special Rent Adjustment, the park owner may also request that the City approve a temporary rent adjustment to reimburse the park owner for reasonable professional costs incurred by the park owner in preparing and presenting the application to the Commission. The Ordinance also provides that a *Galland* adjustment is only temporary, must be amortized over a five-year period with interest at 7%, cannot be part of the space rent and itemized as a separate charge on the residents' monthly rent statement; and must cease at the end of the amortization period. Residents also have the option of paying the *Galland* adjustment in one lump sum. For the past several years, if the Commission or City Council approved a temporary rent adjustment under YMC

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§15.20.116, the Resolution of Findings has included a provision that requires the Park Owner to separately itemize the amount of the temporary rent adjustment on the rent invoice, along with its expiration date, and also prohibits park management from including the temporary rent adjustment as part of the base rent for future rent increases.

Staff Comments: Chapter 6 of the Rules implements the temporary rent adjustment procedure authorized by YMC §15.20.116, but does not contain all of its requirements. Staff believes that it would be appropriate to amend the Administrative Rules to require that any Resolution of Findings approving a temporary rent adjustment under YMC §15.20.116 contain provisions requiring park management to separately itemize the amount of the temporary rent adjustment and its expiration date on the monthly rent statements, prohibiting park management from including the temporary rent adjustment in the base rent for purposes of future rent adjustments, and prohibiting park management from demanding, collecting or retaining any temporary rent adjustment after its expiration date. These amendments will assist in ensuring that the park owner is only reimbursed for the costs of the application and hearing costs as approved by the Commission and that the *Galland* adjustment is only temporary.

Staff Recommendation: Amend Administrative Rules §6.0004(E)(1) as follows:

E(1) At the conclusion of the hearing on a special rent adjustment application, if the park owner is the prevailing party on such application, the Commission shall also have the authority to deny, approve, or approve a modified temporary rent adjustment to the park owner in accordance with this Chapter 6. The Commission's decision shall be included in the Commission's decision on the underlying special rent adjustment application, and shall include:

(a) findings pursuant to Section 15.20.116 of the Ordinance and Administrative Rule ~~6.4(B)~~ **§6.0004(B)**; **and**

(b) if the application is granted, **(i)** the amount of the temporary rent adjustment and **the** reasons therefore; **(ii) the amortization period; (iii) the expiration date for the temporary rent adjustment, (iv) the right of each resident to pay the temporary rent adjustment in a lump sum; (v) a provision prohibiting park management from demanding, collecting or retaining any temporary rent adjustment after its expiration date; and (vi) a provision prohibiting park management from including the temporary rent adjustment in the base rent for purposes of future permissive, capital improvement and special rent adjustments;** or

(c) if the application is denied, the basis for denial of any such temporary rent adjustment.

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Staff Recommendation: Amend Administrative Rules §6.0004(G) as follows:

G. City Council Decision. If the park owner successfully appeals the decision of the Commission on a special rent adjustment (including successfully appealing the Commission's decision on a special rent adjustment under Chapter 4, or the Commission's decision on a temporary rent adjustment under this Chapter 6, or successfully opposes an appeal filed by the park resident representative (or a park resident) from the decision of the Commission), at the conclusion of the appeal hearing the City Council shall also have the authority to deny, approve or approve a modified temporary rent adjustment for the successful Park Owner in accordance with this Chapter 6. The City Council's decision shall include:

(a) findings on the factors set forth in this Section **and the reasons therefore; and**

(b) if the appeal is granted, **(i)** the amount of the temporary rent adjustment ~~and amortization period,~~ and **the** reasons therefore; **(ii) the amortization period; (iii) the expiration date for the temporary rent adjustment; (iv) the right of each resident to pay the temporary rent adjustment in a lump sum; (v) a provision prohibiting park management from demanding, collecting or retaining any temporary rent adjustment after its expiration date; and (vi) a provision prohibiting park management from including the temporary rent adjustment in the base rent for purposes of future permissive, capital improvement and special rent adjustments**; or

(c) if the appeal is denied, the basis for denial of any such temporary rent adjustment.

Admin

2. **(Capital Improvement Bid/Proposal Application Requirements)** - YMC §15.20.085(A)(1) pertaining to "Rent adjustments based on capital improvements" requires the park owner to meet with the park residents prior to the completion of the proposed capital improvement to gain input from the residents and to conduct a ballot election, unless the proposed capital improvement is necessary for the health and safety of the park, its residents or the community. Required documentation of the meetings with the park residents includes, but is not limited to, notice of meetings, resident attendance sign in sheets, official minutes from the meeting(s), election ballot form(s) and any materials handed out at the meeting(s). The intent of the meeting requirement is to provide park owners and park residents with an opportunity to discuss the proposed capital improvement, why the improvement is warranted, and the cost of the improvement, in an attempt for the park owner to gain 51% resident approval consenting to the capital improvement.

Staff Comments: The Ordinance does not require that the park owner provide a copy of bids or proposals received for the proposed capital improvement work, but bids or proposals may be valuable information for the residents to review prior to filling out the

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ballot election. The park owner is not required to choose the lowest responsible bidder; but by requiring the park owner to provide bid or proposal information to the park residents, park residents would be able to evaluate whether the bids or proposals are competitive and whether the bids or proposals ensure a good price for the work to be performed and would have additional information to assist the residents in understanding the reasons for the proposed capital improvement and the justification for the costs.

Staff Recommendations: Amend YMC §15.20.085(A)(1) as follows:

A(1) ……..Documentation of the meetings with the park residents shall include, but is not limited to, notice of meeting between the park owner(s) and residents, resident attendance sing-in sheets, ~~and~~ official minutes from the meeting**, a summary of each of the bids or proposals received and a written explanation from the park owner explaining the reasons for the selection of the contractor,** and election ballot form(s). **The summary shall include sufficient detail for the park residents to understand the nature and extent of the proposed work and the costs to be incurred therein. If the owner proposes to perform the capital improvement with his or her own labor, the summary provided to the residents shall include an explanation of the proposed work and costs.**

Admin

3. **(Permits, Inspections and Quality of Capital Improvements)** - State and local law regulate construction and development in mobilehome parks. The California Building Code identifies building and safety permitting requirements for construction projects. These requirements include compliance with the urban storm water runoff management requirements of the MS-4 Permit issued pursuant to California Regional Water Quality Control Board (SRWQCB Order No. R8-2010-0036, NPDES No. CAS 618036), which requires that a property owner prepare a Water Quality Management Plan and/or Storm Water Pollution Prevention Plan for certain construction projects. The Yucaipa Development Code also identifies zoning and other use and development standards for land uses in the City including mobilehome parks. The City requires that public and private streets inside single-family subdivisions must meet City construction standards, including construction of streets to City specifications. The City Engineer is also developing a construction standard which includes minimum requirements for construction of private streets and parking areas in multi-family developments, such as apartment projects, condominium projects and mobilehome parks, to ensure quality of work and also for compliance with disability access, stormwater and drainage issues, trash, circulation, fire and safety access, and similar requirements.

The City serves as the enforcement agency for the California Mobilehome Parks Act ("MPA"), contained in Health and Safety Code ("HSC") §18200 et seq.), and Chapter 2 of Division 1 of Title 25 of the California Code of Regulations ("CCR") §§1000-1758). The MPA contains provisions regulating the construction of mobilehome parks and the installation of mobilehomes in mobilehome parks, including permits to operate, construction permits, mobilehome installation permits, and inspections to ensure that the

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park and its residents comply with state standards. The MPA also incorporates certain requirements of the California Building Code and/or California Residential Code. Pursuant to the MPA, the City may adopt rules and regulations by ordinance or resolution prescribing park perimeter walls or enclosures on public street frontage, signs, access, and vehicle parking or from prescribing the prohibition of certain uses for mobilehome parks. (See Health & Safety Code §18300(g).) Also, to the extent that a mobilehome park or any portion thereof constitutes a "public accommodation" under the Americans with Disabilities Act of 1990 ("ADA"), the park must comply with certain disability access requirements of the ADA and the applicable federal regulations set forth in the 2010 Standards for Accessible Design and the California Building Code. Mobilehome parks must also comply with the federal Fair Housing Act, which prohibits discrimination against persons with disabilities.

Staff Comments: A Capital Improvement Rent Adjustment is intended to reimburse the park owner for costs incurred in carrying out a completed capital improvement. The City sometimes receives complaints about the quality of capital improvements constructed by park owners, or objections from residents stating that they should not have to pay for capital improvements that are poorly done or will not last for the claimed useful life of the capital improvement.

The issue of deferred maintenance of mobilehome parks was addressed in previous amendments to the Administrative Rules. For example, under the MNOI Rent Adjustment process, the definition of "operating expenses" excludes costs resulting from the park owner's failure to undertake prudent and ongoing maintenance activities or costs which were caused by unnecessarily and unreasonably deferred negligent, or otherwise improper repair and/or maintenance or other acts or omissions of the park owner. (Administrative Rules, §4.0003(D)(4)(h).)

Also, when a park owner submits a Capital Improvement Rent Adjustment application, Administrative Rules, §5.0009 provides that the Rent Administrator, or the Commission on an appeal, must consider whether the costs of the capital improvement, in whole or in part, could have been minimized or avoided by the park owner through prudent and ongoing repair and maintenance activities. If the need for or extent of the claimed capital improvement was exacerbated through unnecessarily deferred, negligent or otherwise improper repair and maintenance or other acts or omissions of the park owner, those costs shall be disregarded in determining the amount of any capital improvement rent adjustment otherwise determined to be appropriate. The Rent Administrator or Commission may also condition the approval of any capital improvement rent adjustment application in order to ensure that future ongoing repair and maintenance activities will be taken by the park owner to minimize or avoid the need for replacement or reconstruction of said capital improvement in the future, including a condition providing that should the capital improvement not last the duration of the amortization period, the park owner may not pass on all or a portion of the cost of any replacement or reconstruction of the same capital improvement to the park residents.

As explained above, under the MPA, the City may enact rules and regulations regarding circulation, access and parking inside mobilehome parks, including with respect to fire, life safety, service vehicles and trash trucks. The City, as the enforcement agency under the MPA, may also ensure that the grading of lots and streets comply with the applicable drainage requirements of the MPA and Title 25 with regard to drainage, such as compliance with urban storm water runoff management requirements of the SRWQCB MS-4 permit. In order to address these concerns, the Commission may wish to consider recommending that the Administrative Rules be amended to require that if a park owner intends to apply for a capital improvement rent adjustment for expenses incurred in carrying out street improvements or flat work improvements (e.g., sidewalks, driveways, patios), the application must include a certification signed by a registered or licensed civil engineer verifying that the capital improvements meet engineering standards and federal and state law requirements. Costs incurred by the park owner for such inspections or certifications could be included in an application for a capital improvement rent adjustment submitted to the City by the park owner and if approved by the City, would become part of the capital improvement rent adjustment charged to the residents for the useful life of the improvement.

Staff Recommendation: Add new Administrative Rules §5.0010, Certification of Capital Improvements, as follows:

5.0010 CERTIFICATION OF CAPITAL IMPROVEMENTS

A. If a park owner intends to apply for a capital improvement rent adjustment for expenses incurred in carrying out street improvements or flatwork improvements (e.g., sidewalks, driveways, patios), the application shall include a certification signed by a registered or licensed civil engineer under penalty of perjury and verifying the following:

1. That the work was carried out under the supervision of a licensed or certified engineer to make sure that the capital improvements were properly constructed in accordance with the proposal, contract or bid;

2. That the improvement meets the standards required by the City of Yucaipa AC Pavement Specifications or other engineering standards to ensure adequacy of access and parking throughout the area of the improvement;

3. That the improvement complies with all grading and drainage requirements of Title 25 including but not limited to the urban storm water runoff management requirements of the applicable MS-4 permit issued by the California State Regional Water Quality Control Board;

4. That the improvement will provide equal or improved circulation and parking areas in the mobilehome park as previously approved in the conditional use permit or other entitlement for the subject park;

5. That the improvement complies with all applicable accessibility requirements of the Americans With Disabilities Act (42 U.S.C. §12101 et seq.), including but expressly not limited to parking;

6. That the improvement will provide adequate circulation and access for fire, life safety, service vehicles and trash trucks; and

7. That the improvement will last at least as long as the amortization period;

B. The application for a capital improvement rent adjustment shall not be deemed complete by the rent administrator under YMC §§15.20.085 (A) (2) and 15.20.105 unless the application contains this certification.

Staff Recommendation: Renumber Administrative Rule, §5.0010 as §5.0011, as follows:

~~5.0010~~ 5.0011 APPLICABILITY OF THESE ADMINISTRATIVE RULES.... [continue as in current Rule]

GENERAL ISSUES

General

1. **(Annual Adjustments)** - The Ordinance authorizes park owners to raise their rents each year without Commission approval, pursuant to the Annual Adjustment process set forth in YMC §15.20.080 and Administrative Rules, Chapter 3. The Annual Adjustment is calculated based on 80% of the CPI or 5%, whichever is less (YMC §15.20.080; Administrative Rules, §§3.0001 and 3.0001(B)). Although the Ordinance caps the amount of the Annual Adjustment, the Ordinance does not establish a minimum rent increase under the Annual Adjustment formula, such as when there has been no increase or only a minimal increase in inflation, or where there is an actual decrease in the cost of living, over the prior 12 months. The Commission may wish to consider recommending that the City amend the Annual Adjustment formula to establish a minimum percentage increase on base rent across-the board, or to set a minimum percentage increase or dollar increase in those situations where the CPI has not increased, increased by only a minimal amount, or has decreased over the prior 12 months.

Staff Comments: The Annual Adjustment process allows park owners to obtain a rent increase once each year based on 80% of the increase in the CPI published by the Bureau of Labor Statistics over the prior twelve months, capped at 5% of base rent, so that park owners are guaranteed an annual increase based on inflation. The purpose of the Annual Adjustment process is to provide a relatively simple, expedited process that enables park owners to obtain rent increases without having to go through a formal noticed-hearing process through the Special Rent Adjustment process.

Under the Ordinance and Administrative Rules, park owners may apply for an Annual Adjustment each year. The Rent Administrator provides the park owners with the

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applicable CPI indexing factor by February 1st of each year. Because the Bureau of Labor Statistics runs about two months behind in publishing the monthly CPI, the CPI most recently available to the City is the CPI reported in December of each year. (See YMC §15.20.080; Administrative Rules, §3.0001.)

Over the past few years, due to the state of the national economy, the increase in CPI over the prior year has been decreasing, and in the past few years has become quite low. The Annual Adjustment for 2015 was ***0.58%***. The following chart shows the CPI increases between 2008 and 2015:

2008 – 2015 CPI Calculations								
	2008*	2009*	2010*	2011	2012	2013	2014	2015
Prior Year	210.60	219.37	219.62	223.64	226.64	231.57	236.04	238.74
Current Year	219.37	219.62	223.64	226.64	231.57	236.04	238.74	240.48
CPI (100%)	4.16%	0.11%	1.83%	1.34%	2.17%	1.93%	1.14%	0.73%
CPI Factor (80%)**	3.33%	0.09%	1.47%	1.07%	1.74%	1.55%	0.92%	0.58%

* The reported CPI figure most recently available from the Bureau of Labor Statistics as of February 1st, generally is the CPI for December of the prior year.

** Used in calculating each park's Annual Adjustment to be imposed on or after February 1st of each year.

The following chart shows the difference between 80% CPI and 100% CPI using a hypothetical monthly space rent of $300 beginning in 2008.

Hypotetical Rent Control Monthly Space Rent $300.00								
	2008	2009	2010	2011	2012	2013	2014	2015
Rent	$300.00	$309.99	$310.27	$314.83	$318.20	$323.74	$328.75	$331.78
80% CPI	3.33%	0.09%	1.47%	1.07%	1.74%	1.55%	0.92%	0.58%
Increase	$9.99	$0.28	$4.56	$3.37	$5.54	$5.02	$3.02	$1.92
	$309.99	$310.27	$314.83	$318.20	$323.74	$328.75	$331.78	$333.70
	$300.00	$312.48	$312.82	$318.55	$322.82	$329.82	$336.19	$340.02
100% CPI	4.16%	0.11%	1.83%	1.34%	2.17%	1.93%	1.14%	0.73%
Increase	$12.48	$0.34	$5.72	$4.27	$7.01	$6.37	$3.83	$2.48
	$312.48	$312.82	$318.55	$322.82	$329.82	$336.19	$340.02	$342.50
Difference	$2.49	$2.55	$3.72	$4.62	$6.09	$7.43	$8.24	$8.80

There are several options that may be considered by the Commission:

- Option #1: Amend YMC §15.20.080(A) and Administrative Rules, §3.0001(B)(3) to provide that if the increase in CPI over the prior the prior 12 months is less than one percent (1%), the Annual Adjustment will be an amount equal to one-and-one-half percent (1.5%) of the current rent. The 5% percent cap would be retained. Under this option, the Annual Adjustment process will continue to provide park residents with some certainty in being able to anticipate the amount of their next rent adjustment based on the Annual Adjustment while providing park owners with a simplified procedure to raise rents each year even in those situations in which there is no increase or only a minimal increase in inflation.

- Option #2: Amend YMC §15.20.080(A) and Administrative Rules §3.0001(B)(3), to provide that the park owner may increase the rent in each regulated space once annually, by 100% of the increase in CPI, or by 5% percent of the current space rent, whichever is less. This revision would allow park owners to increase rent by the full cost of inflation.

- Option #3: No change to existing Ordinance and Rules – maintain 80% CPI.

- The stakeholders have also presented the City with proposals for amendments to the Annual Adjustment process, which are outlined below.

Staff Recommendation: Staff recommends that the Commission consider the above options for amending the Annual Adjustment formula, or retain the existing language of the Ordinance and Administrative Rules.

ISSUES PRESENTED BY YMRA

YMRA submitted seven emails to the City containing their comments and recommendations on the Ordinance and Administrative Rules. (Attachments B through H to this Staff Report).

YMRA 1. **(Application Fee and Costs to Administer Ordinance)** YMRA requests that the City amend the Ordinance or Administrative Rules to allow park residents or a group of residents to seek a waiver or postponement of the $1,750 application fee due to its financial impact on park residents. YMRA also states that if the park owner would not earn a fair return because of the fees to administer the Ordinance, this fact could be taken into account during the MNOI Rent Adjustment process. (Attachment B).

Staff Comments: Over the years, the City Council has established the policy that the Ordinance must pay for itself, and that the benefited parties – the park residents and park owners – must bear the cost of administering and implementing the Ordinance. Costs for administering the Ordinance are substantial, due to the involvement of staff, experts and

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attorneys. The decision whether to provide a waiver process is a policy decision for the City.

Staff Recommendation: Staff does not recommend any changes to the Ordinance or Administrative Rules pertaining to waivers of application costs at this time.

YMRA

2. **(Annual Adjustments)** YMRA opposes any amendments to the Annual Adjustment provisions of the Ordinance and Administrative Rules, so long as the Capital Improvement Rent Adjustment provisions remain in place. (Attachment C).

Staff Comments: The Annual Adjustment provision allows park owners to obtain annual rent increases once by the lesser of either five percent of the current space rent as of the date of the complete application, or 80% of the increase in the CPI during the preceding 12 months. An application and RA approval are necessary, but proof of need and a Commission hearing before the Commission are not required. Capital Improvement Rent Adjustments are one of the additional discretionary types of rent increases that a park owner may apply for and which require proof of justification and approval by the City. Capital Improvement Rent Adjustments are addressed in Section 15.20.085 of the YMC and Chapter 5 of the Administrative Rules. Under YMC §15.20.020, a capital improvement means the installation of new improvements and facilities and/or the replacement or reconstruction of existing improvements and facilities which consist of more than ordinary maintenance or repairs, have a useful life of at least five years and satisfy the procedural requirements of YMC §15.20.085(A). The Capital Improvement Rent Adjustment is a temporary rent adjustment which, if approved, allows a park owner to recover the cost of completed capital improvements from the park residents, on an amortized basis, subject to certain procedural requirements.

The Capital Improvement Rent Adjustment has been one of the authorized rent adjustment methods since the Ordinance was originally adopted. As a result of the 2011 biennial review, the City amended the Ordinance to also allow a park owner to apply for approval of an Emergency Capital Improvement Rent Adjustment, subject to modified procedures, when the need for the capital improvement arose to remedy an imminent threat to public health or safety (YMC §15.20.085(B)). In addition, the Ordinance was amended in 2011 to exclude capital improvements from the calculation of an MNOI Rent Adjustment or MNOI Rent Adjustment based on a Readjusted Base Year NOI under YMC §15.20.100 and Chapter 4 of the Administrative Rules. If a park owner includes capital improvements in a Special Rent Adjustment based on the MNOI formula or the Readjusted Base Year NOI formula, the City will separate out the capital improvement costs and process those separately under the Capital Improvement Rent Adjustment procedures.

The treatment of expenses for major improvements and replacements in the City's Ordinance is based on a combination of legal and policy issues.

Legal Principles Impacting Treatment of Capital Improvements:

The courts have established several legal principles when evaluating rent control ordinances and these principles may impact how the City's Ordinance must treat capital improvement costs.

- In order to be constitutionally valid, a rent control ordinance must provide a park owner with a fair return. A "fair return" means that a park owner is entitled to earn a return on the park as a whole "which is earned by comparable investments with commensurate risks and commensurate opportunities for appreciation and tax benefits", or "which is high enough to encourage good management, reward efficiency and discourage the flight of capital and is commensurate with returns on comparable investments, but not so high as to defeat the purpose of preventing excessive rents."

- There is no set formula or methodology required to provide a fair return. In the event of a legal challenge, the courts evaluate the mechanism established in the applicable ordinance to determine whether that mechanism provides a particular park owner with the opportunity to earn a fair return.

- An MNOI formula generally will provide a fair return to a park owner so long as the ordinance allows a park owner to raise rents to provide growth in net operating income in order to cover the cost of operating expenses (including capital improvements), and also does not perpetually freeze profits.

- A rent control ordinance cannot preclude consideration of costs of capital improvements that are necessary for the health and safety of the park, its residents or surrounding communities, or which are otherwise required to comply with federal or state laws. Some court decisions have also established that an ordinance must not only allow pass through of the actual costs of the capital improvements, but also allow a return on those costs.

Staff Recommendation: In light of the legal principles underlying the Capital Improvement Rent Adjustment provisions, and the City's extensive review of the Capital Improvement Rent Adjustment provisions during the 2011 Biennial Review, staff does not recommend that any amendments to the Annual Adjustment provisions be tied to changes or elimination of the Capital Improvement Rent Adjustment provisions of the Ordinance or Administrative Rules.

YMRA

3. **(Vacancy Decontrol)** YMRA supports the Mobilehome Rent Stabilization Ordinance and Administrative Rules pertaining to Vacancy Control, on the basis that the current structure lends to a fair balance for mobilehome park owners and resident. YMRA also opposes amending the Ordinance and Administrative Rules to allow vacancy decontrol because the Annual Adjustment process allows park owners to experience gains and earn profits that are consistent with inflation. However, YMRA also states that if the City

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considers adopting some form of vacancy decontrol, the City should only allow rent to increase on vacancy by one-half (50%) of the prior period CPI adjustment, or 40% of the actual CPI; that only one vacancy increase should be allowed in a 12-month period even if more than one vacancy results during that 12-month period; and the vacancy increase should also be capped at 5% of current rent. YMRA makes this suggestion in the hope that it will finally resolve the matter of vacancy control or decontrol in the City's Ordinance. (Attachment D).

Staff Comments: The City's Ordinance defines a vacancy to mean any of the following: (i) the existence of any space on which no mobilehome is located; (ii) any transfer of ownership of a mobilehome which remains in a park; or (iii) any change in occupancy of any mobilehome space. (YMC §15.20.020) The Ordinance regulates rents upon vacancies as follows:

- The Ordinance prohibits any increase in space rent upon a vacancy resulting in the transfer of ownership of a mobilehome that remains in the park (an "in-place transfer" of ownership), or any change in occupancy of a mobilehome space (YMC §15.20.050 (A).

- If a space is vacant because a mobilehome was removed or never had a mobilehome on it, the Ordinance also limits the rent that may be charged after a home is moved onto the space (YMC §15.20.050 (B).

- If a homeowner buys a park-owned mobilehome, the base rent is the last regulated rent charged under the Ordinance, including any Annual Adjustments and any other Commission-approved adjustments, or, if the space was never subject to the Ordinance, the rent is the average of the rents charged for comparable spaces in the park (YMC §15.20.050(B)(3).

The purpose of the City's vacancy control provision is to protect the investment by mobilehome owners in their homes, given the unequal bargaining position of residents, imposition of exorbitant rents, and the immobility of mobilehomes.

In prior biennial reviews, Park Owners and Park Owner Organizations have proposed amending the Ordinance to allow rents to increase to market rent level upon an in-place transfer of a mobilehome. YMRA and the park residents have consistently been opposed to any rent increases upon such vacancies, and the City Council in the past has declined to enact any form of vacancy decontrol.

Numerous legal challenges have been brought by park owners against vacancy control ordinances in the past, but these challenges have generally not been successful. For example, the Ninth Circuit Court of Appeals rejected a facial challenge to the Goleta mobile home park rent control ordinance in *Guggenheim v. City of Goleta*, 638 F.3d 1111 (9th Cir.2010) (en banc), cert. denied 131 S.Ct. 2455 (2011). In that case, the plaintiffs purchased their mobilehome park while it was in unincorporated land subject to a Santa

Barbara County rent control ordinance. On the same day as the city's effective date of incorporation, Goleta adopted the County's rent control ordinance. The Goleta rent control ordinance contains a form of vacancy de-control, which allows a park owner to increase rents by 10% upon the sale of a mobilehome. Plaintiffs challenged the ordinance as a taking, on the grounds that the below-market rents enabled park tenants to sell their mobilehomes to new tenants at higher prices, resulting in a wealth transfer of ninety percent of the mobilehome's value from the park owners to the park tenants.

The Ninth Circuit rejected the park owners' contention. The court ruled that because the plaintiffs bought their park when it was already under the county's rent control ordinance, the plaintiffs did not suffer any taking when the newly incorporated City of Goleta adopted the county's ordinance immediately upon its incorporation. The court's opinion also suggests that future courts may consider the interests of both the park owners and park tenants in considering challenges to a rent control ordinance. The court commented that a change in the rent control ordinance would have no effect on the park owners' investment-backed expectations, since they bought the park subject to rent control, but a change in the ordinance would impair the investment-backed expectations of the tenants who bought their homes after rent control went into effect by destroying the value those tenants thought they were buying.

The *Guggenheim* decision ruled only upon a facial challenge to the Goleta mobilehome rent control ordinance containing a limited form of vacancy de-control, and the decision emphasized that the Ninth Circuit was not ruling on an as-applied challenge. As such, the viability of a challenge to an ordinance containing full vacancy control remains uncertain, particularly in any as-applied challenges.

GSMOL periodically surveys the cities and counties in California with some form of mobilehome park rent control. Their most recent survey, updated as of March 2015, indicates that out of 96 jurisdictions surveyed, 53 of those cities and counties have some type of vacancy control, such as a prohibition on any rent increase at the time of an in-place transfer of ownership of a mobilehome, exclusions for transfers to relatives, dollar caps, or caps based on a percentage of rent as of date of transfer. A copy of the GSMOL survey is enclosed with this staff report as (Attachment O).

The City of Yucaipa has 41 mobilehome parks and a total of 4,268 spaces. Examples of various types of vacancy decontrol are summarized below.

<u>City of Oxnard (25 parks and 2,780 spaces)</u>

Oxnard's ordinance addresses vacancy control in City Code §24-11, which contains "change of occupancy adjustment". Upon a change of occupancy of a space, the owner may increase the rent up to 15 percent of the average space rent for regulated spaces, or $80, whichever is less. The change of occupancy increase may be applied to a specific space no more than once every five years, and is determined by the rent stabilization director once a year for each mobile home park. A change of occupancy

adjustment is not permitted upon the transfer of rights to a space by a resident to any joint tenant or blood relation by gift, devise or operation of law.

On or before January first of each year, the owner shall post a written notice stating the maximum amount of rent to be charged for each space upon change of occupancy. The notice may be revised and posted no more than three times in the next 12 months. Upon a written request, the owner must provide a resident a written commitment for the space stating the exact amount of the rent for the resident's space to be effective upon a change of occupancy. This commitment must be effective for six months.

The rent stabilization director may review a change of occupancy adjustment based on a written complaint, and it may be subject to a hearing to resolve the dispute.

County of Riverside (124 parks and 12,376 spaces)

Riverside County Code §5.36.050 allows several types of increases upon vacancies: Except as provided below, if the mobile home space or mobile home is (i) voluntarily vacated, abandoned or repossessed, or (ii) vacated pursuant to California Civil Code Sections 798.56 or 798.75 the landlord may adjust the rental rate to an amount determined in the park owner's discretion. However, if the mobile home is sold in place and is to remain on site, the landlord may only increase the space rental rate to the new owner to an amount that is no greater than the average of the three highest rentals then currently being charged by the park owner for resident owner occupied spaces of comparable size, location and amenities in the park. Also, if a resident owner must move from his or her mobile home because of a need for long term medical or custodial care, the space remains subject to the ordinance during the time that the owner is absent and remains incapacitated. In those parks that allow subletting, the absent and incapacitated owner may sublet the mobile home for a charge not to exceed the space rent and utilities and all legally allowable pass through costs for a period of time not to exceed twenty-four (24) months without removing the space from the protection of the ordinance.

City of Fremont (3 parks and 732 spaces)

Under Fremont Municipal Code §9.55.030(k), an "in-place transfer" is a sale, transfer or other conveyance of a mobile home with the mobile home remaining on the mobile home space following the sale, transfer or other conveyance. Section 9.55.030(bb) defines "vacancy decontrol" as the partial or full removal of rent increase limitations otherwise required by this chapter when an existing mobile home owner is party to an in-place transfer or the mobile home is abandoned in-place.

The ordinance allows partial vacancy control upon the closure of an in-place sale, transfer or other conveyance of a mobile home. The rent increase is limited to 15%. The provision applies to initial turnovers January 1, 2002, through December 31, 2019. The

park owner may also obtain approval of an inflationary adjustment for subsequent turnovers, by transfers of title through December 31, 2019, equal to the percentage change in the Consumer Price Index between the time of the previous transfer and the time of the then relevant transfer, but capped at 15 percent.

The ordinance also allows full vacancy decontrol in certain situations. (Fremont Municipal Code §9.55.060(b)): A park owner may increase space rent in any amount (i) when a commercial purchaser replaces a mobile home with a new or different mobile home; or (ii) when a mobile home is abandoned in-place or when a vacancy results from a lawful eviction. The new rent base is thereafter subject to all the requirements of the City's ordinance. A homeowner intending to sell a mobilehome may submit a written request to the park owner for a written statement of increase in rent due to vacancy decontrol. The park owner must provide the written statement within five days, and it remains valid for 120 days. (Fremont Municipal Code §9.55.060(c)) Certain transfers are exempt from vacancy decontrol, including (i) an in-place transfer of a mobile home to a spouse, parent, child, siblings, grandparent, grandchild, or domestic partner of the mobile home owner or a person who was a joint tenant of the mobile home owner on the effective date; and (ii) a temporary removal of a mobile home to allow rehabilitation, capital improvements, or upgrades of the mobile home or a replacement of a mobile home with a new or different mobile home by an existing home owner on the same space.

City of Concord (11 parks and 1,800spaces)

Concord Municipal Code§15.05.160 defines a "vacancy decontrol space rent increase" as the increase in space rent permitted upon the qualifying sale, transfer, or other conveyance of a mobile home. Section 15.105.190 allows limited rent increases upon vacancy. The park owner may increase space rent by ten percent upon the closure of an in-place sale, transfer or other conveyance of a regulated mobile home space. However, no vacancy decontrol space rent increase may be assessed where (i) an existing mobile home owner or resident replaces an existing mobile home with another mobile home, occupying the same mobile home space; (ii) where title to the mobile home passes to the owner's spouse, domestic partner, or son/daughter who at the time of the title transfer was also a resident of the mobile home; or (iii) a vacancy decontrol space rent increase may not be assessed to the same mobile home space more than once every 24 months.

City of Redlands (Redlands (7 or 8 parks and 684 spaces)

Under Redlands Municipal Code §5.48.100, if a mobilehome owner sells his or her home, the park owner cannot increase the rental rate above the amount of rent being paid by the seller of the mobilehome. The Ordinance does not prohibit a mobilehome park owner from increasing the monthly space rent for a mobilehome park space when the mobilehome has been removed from the park, where the mobilehome has been

abandoned by its owner, or when a legal eviction of a mobilehome owner-occupant is effected by the property owner.

Staff Recommendation: Staff does not recommend any changes to the vacancy control provision of the Ordinance or Administrative Rules at this time. However, the Commission may wish to consider recommending amendments to allow limited vacancy decontrol based on input from the Park Residents, Park Owners and other stakeholders.

YMRA 4. **(Financial Information for MNOI Rent Adjustment):** YMRA proposes amending the Ordinance and Administrative Rules to require that when a park owner submits an MNOI Rent Adjustment application, the park owner must submit or make available all financial reports to all parties that may be affected by the resulting decision, including profit and loss statements, income statements, balance sheets and cash flow records. YMRA also proposes that park owners be required to submit, or have the option of submitting, personal tax returns and bank statements. YMRA believes that full disclosure will make sure that the residents are fully advised of the basis for the claimed rent adjustment. (Attachment E)

Staff Comments: YMC §15.20.100 requires that in order to present a Special Rent Adjustment application for hearing to the Commission, the park owner must submit a complete application, including complete financial records that support the requested rent adjustment. Those financial records include profit and loss statements, balance sheets, bank statements, invoices, cancelled checks, and similar financial records. The City cannot require that a park owner submit personal or business tax returns as those returns are confidential under federal and state law. The City also carried out a thorough review of the Ordinance and Administrative Rules and made extensive revisions to the application process in the 2011 biennial review.

Staff Recommendation: For the reasons set forth under Staff Comments, Staff believes the Ordinance and Administrative Rules thoroughly address the records required in support of a Special Rent Adjustment Application and does not recommend such changes to the Ordinance or the Administrative Rules at this time with regard to documentation supporting applications for Special Rent Adjustments including MNOI Rent Adjustments.

YMRA 5. YMRA proposes that special meetings be held on at least 30 days prior notice, rather than the minimum 24 hours' notice contained in Administrative Rule §1.0003. (Attachment F)

Staff Comments: The 24-hour notice provision of Administrative Rule §1.0003 merely reflects the requirement of the Ralph M. Brown Act ("Brown Act") (Cal. Gov. Code §54950 et seq.), that the Commission must provide at least 24 hours' notice of a special meeting. The provision cited by the Administrative Rules was drafted to reflect these requirements. The Ordinance and Administrative Rules contain additional timing

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requirements for processing the Special Rent Adjustment application and scheduling public hearings on the application, which provide significantly more than 24 hours' notice. For example, the Ordinance requires that the Commission commence the public hearing on the application within 60 days of the date the Rent Administrator deemed the application complete, and issue its written decision within seventy-five (75) days after the date of the completeness determination (YMC §15.20.110). The City Council must commence an appeal hearing within 30 days of the Rent Administrator's determination that the appeal application is complete, and issue its written decision within 15 days of commencement of the hearing, with some exceptions (YMC §15.20.115(C) and (D)). To implement these time deadlines, the Administrative Rules establish timing requirements for notice to the park residents of the filing of the application, and each party's deadline to submit documents to the City. All of these time deadlines ensure that both park residents and park owners have sufficient time to review the application and Commission agendas and prepare for the hearing. For example, the park owner must post a notice of filing of a rent adjustment application in three places in the park, and must also make a copy of the application available for review by the residents (YMC §15.20.105(A)). The Rent Administrator must notice to the park residents and park resident representative when the Rent Administrator deems an application complete (YMC §15.20.105(E)). Any other documentation provided to the Rent Administrator for a Commission agenda must be provided not later than 14 days prior to the meeting and the Rent Administrator circulates the agenda to the Commission not later than six days prior to the meeting. (Administrative Rule, §1.0008) These timing procedures were reviewed during the 2011 biennial review; the City conducted a thorough review of the hearing procedures.

Staff Recommendation: For the reasons set forth under Staff Comments, Staff does not recommend such changes to the Administrative Rules at this time with regard to scheduling of special meetings or minimum notice requirements for special meetings.

YMRA

6. Other issues raised by YMRA were not specific requests to change the Ordinance or Administrative Rules but identified opinions pertaining the following (Attachment G and H):

   a. YMRA agrees with the rent control fee and the 50/50 split shared by the park owners and park resident. (Attachment G)

   b. YMRA supports the Mobilehome Rent Stabilization Ordinance and Administrative Rules. (Attachment H)

ISSUES PRESENTED BY ROSE MARY CONWAY OF BEL AIRE MOBILE ESTATES

Conway

1. **(Annual Adjustments)** Mrs. Conway proposes that the annual CPI increase should be based on an average of the prior year rather than selecting December only (Attachment I).

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Staff Comments: In 1996, the CPI indexing factor used in determining the Annual Adjustment was increased from 66-2/3% of the increase in the CPI to eighty percent (80%) of the increase in the CPI. While rent ordinances are subject to the requirement that owners be permitted a fair return, the courts have held that automatic annual increases are not required as long as the fair return requirement is met without unreasonable delay. In addition, the courts have held that there is no minimum CPI indexing factor that must be provided in an annual rent increase such as the City's Annual Adjustment process, or any particular method that must be used in providing an automatic rent increase such as the Annual Adjustment process. There are alternate rationales for no general or automatic annual increases, and for increases ranging up to 100% of the increase in the CPI. To the extent that the Annual Adjustment is below the amount necessary to meet the fair return standard, the system becomes increasingly dependent upon rent adjustments through individual hearings pursuant to the special adjustment procedures set out in YMC §15.20.100.

As a practical matter, the impact of the CPI indexing factor on Annual Adjustments will depend on how much, or how little, the CPI has actually increased or decreased over the prior year CPI. In some years, use of the yearly average may result in a higher or lower Annual Adjustment; in other years, use of the yearly average may result in a lower adjustment than if a particular date in time is chosen. In other years, there may not be any difference between the two approaches. However, use of an average makes the CPI formula more complicated than a straight point change comparison between the current December and the prior December.

Staff Recommendation: Staff presented several options in its discussion under General #1, above, for consideration by the Commission. The determination of what percentage to use for the inflationary adjustment in the Annual Adjustment process is a policy decision for the City.

ISSUES PRESENTED BY WESTERN MANUFACTURED HOUSING COMMUNITIES' (WMA) AND MANUFACTURED HOUSING EDUCATIONAL TRUST (MHET)

WMA 1. **(Annual Adjustments)** WMA requests that the City modify the practice of calculating the Annual Adjustment rate from 80% of the increase in the CPI to 100% of the increase in the CPI, on the basis that use of 80% of the increase in the CPI does not sustain proper operations or a park. (Attachment J)

MHET **(Annual Adjustments)** MHET requests that the Ordinance and rules be amended to allow for automatic annual rent increases of 100% CPI, on the basis that the use of 80% CPI does not allow the park owner to keep up with inflation or increasing park expenses. (Attachment K)

Staff Comments: Staff's comments on proposals to modify the CPI factor used to determine the Annual Adjustment are contained in its discussion of the annual adjustment under General #1, and Conway #1, above.

Staff Recommendation: Staff presented several options for consideration by the Commission under General #1.

WMA

2. **(Capital Improvement)** WMA requests that the Ordinance be amended to allow automatic pass thru of capital improvements. WMA contends that the reason the aging communities are deteriorating is because the Ordinance strips the needed income and revenue to address these problems. (Attachment J)

MHET

(Capital Improvement) MHET requests that the Ordinance be amended to allow automatic pass thru of capital improvements. MHET contends that the parks are aging, technology has changed a great deal and upgrading or replacing park infrastructure is expensive. MHET states that a proven way to successfully upgrade the parks is to allow capital improvements to be amortized and passed thru automatically. (Attachment K)

Staff Comments: Staff provided an extensive analysis of the capital improvement rent adjustment procedure under Admin #1, above. As outlined therein, court decisions have established that a rent control ordinance is valid if it provides the park owner with a fair return, which means that the park owner must be allowed to maintain and increase profit based on inflation, and recover the cost of the operating expenses, including capital improvements. State and Federal court decisions do not require any specific formula for rent increases, and there is no legal requirement for the automatic pass-through of capital improvements. During the prior Biennial Review, the City undertook an extensive analysis of the capital improvement rent adjustment procedures, and made several revisions to the Ordinance and Administrative Rules. The City's Ordinance contains three procedures which allow consideration of capital improvements – (i) through a separate temporary capital improvement rent adjustment process or an emergency capital improvement rent adjustment process based on an application submitted at an time; (ii) if capital improvement costs are included as part of an application for an MNOI rent adjustment or MNOI rent adjustment based on a readjusted base year NOI, those capital improvement costs may be considered separately under the capital improvement rent adjustment procedures, subject to certain limitations under the Ordinance and Administrative Rules; and (iii) as a factor that may be considered if the park is earning a fair return under the fair return adjustment process set forth in YMC §15.20.100(C), subject to certain limitations under the Ordinance. The current methods provide a balance that encourages park owners to make improvements in their parks, while avoiding excessive rent increases to residents.

A proposal to allow automatic pass-throughs of the costs of capital improvements would also need to be evaluated under the Mobilehome Residency Law ("MRL"), Cal. Civil Code §798 et.seq. The MRL provides, in Civil Code §798.31, that "a homeowner shall not be charged a fee for other than rent, utilities, and incidental reasonable charges for services actually rendered." A separate charge for a capital improvement "pass through" may violate the MRL. In contrast, the City's capital improvement rent adjustment provision, which allows the cost of a completed capital improvement to be as a form of a

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temporary rent increase, has been upheld in court as a legitimate rent increase that does not violate the MRL because of the broad definition of "rent" in the City's Ordinance. (*Robinson v. City of Yucaipa (1994) 28 Cal.App.4th 1506; see also Dills v. Redwoods Associates, Ltd. (1994) 28 Cal.App.4th 888.*)

Staff Recommendation: Whether to allow an automatic rent increase based on amortized capital improvement costs is a policy decision for the City. Staff makes no recommendation on this proposal.

WMA

3. **(Vacancy Decontrol)** WMA requests that the Ordinance be amended to provide for vacancy decontrol. WMA contends that vacancy decontrol will fundamentally change mobilehome communities for the better and reduces litigation. (Attachment J)

MHET

(Vacancy Decontrol) MHET requests that the Ordinance be amended to provide rent adjustments upon vacancy. MHET contends that allowing rent adjustments at the time of vacancy is fair and reasonable, and still protective of the residents. (Attachment K)

Staff Comments: Staff provided an extensive discussion of vacancy control and decontrol under YMRA #3, above. As noted therein, the Ordinance was enacted with a vacancy control provision in order to protect the investment of mobilehome owners in their homes, given the unequal bargaining position of residents, exorbitant rents, and the immobility of mobilehomes. If a resident sells his or her mobilehome to someone else, the park owner cannot raise the rent to market levels, and the space continues to be subject to rent control. Park owners have frequently brought legal challenges against vacancy control in the past, but those challenges have generally not been successful.

Staff Recommendation: For the reasons set forth under Staff Comments, staff does not recommend such changes to the Ordinance at this time. However, the Commission may consider a limited form of vacancy decontrol, such as those outlined in the examples provided under YMRA #3, above.

ISSUE PRESENTED BY ANDREW ROTTENBACHER, CALANDRA REAL, LP. ON BEHALF OF LAKEVIEW MOBILEHOME PARK

Rottenbacher

1. **(Annual Adjustment)** Mr. Rottenbacher requests that the City allow for an administrative annual increase of 100% of the change in CPI, on the basis that restricting rent increases to anything less only further erodes the overall maintenance standards of Mobile Home Parks. (Attachment L)

Staff Comments: Staff addressed the proposal to calculate Annual Adjustments based on 100% of the CPI increase rather than 80% of the CPI increase under Staff's General Issues #1, and WMA and MHET #1 of this Report.

Staff Recommendation: See Staff's recommendation under Staff's General Issues #1, and WMA and MHET #1 of this Report.

Rottenbacher

2. **(Minimum Annual Adjustment)** Mr. Rottenbacher requests that the City remove the 5% maximum annual increase provision and/or implement a minimum administrative 2.5% annual increase. (Attachment L)

Staff Comments: As outlined above, the purpose of Chapter 15.20 of the Yucaipa Municipal Code is to protect residents from excessive rents given the relative immobility of mobilehomes, low vacancy rates, and the lack of alternative mobilehome sites in Yucaipa. As outlined above, the Annual Adjustment process in the Ordinance allows park owners to obtain annual rent increases based on a simplified and expeditious basis, while at the same time placing a limit on these annual "automatic" rent adjustments so as to avoid excessive increases in rent for the park's residents, particularly when there are large increases in inflation. The City is not legally required to amend the Ordinance to allow use of 100% of the increase in CPI rather than 80% of the increase in the CPI. Whether to change the CPI indexing factor is a policy decision for the City.

Staff Comments: Discussion on the proposal to implement a minimum administrative 2.5% annual increase is contained in its discussion of the Annual Adjustment process under General #1. Staff also presented several options for consideration by the Commission under General #1

Staff Recommendation: Whether to change the maximum annual increase or implement a minimum annual increase is a policy decision for the City. Staff makes no recommendation on this proposal.

Rottenbacher

3. **(Vacancy Decontrol)** Mr. Rottenbacher requests that the City provide for an increase of 5% in the then current monthly rent upon the resale of a mobilehome or vacancy limited to once every 3 years per space. (Attachment L)

Staff Comments: Staff's comments on vacancy decontrol are contained in its discussion under YMRA #3 and WMA / MHET #3.

Staff Recommendation: Staff's recommendations on vacancy decontrol are contained in its recommendations under YMRA #3 and WMA / MHET #3.

ISSUE PRESENTED BY SUZANNE TAYLOR, AUGUSTA COMMUNITIES, ON BEHALF OF VALLEY VIEW MOBILEHOME PARK

Taylor

1. **(Nonprofit Mobilehome Parks Rent Adjustment Policy)** Ms. Taylor is requests that the City amend the Ordinance and Administrative Rules to provide a separate rental adjustment policy for 501(c)(3) housing non-profits that comply with federal and state household income and affordability standards. (Attachment M)

Staff Comments: The impact of the City's Ordinance on a park will be dependent upon the individual park's situation, regardless of whether or not the park is a for-profit business or a non-profit park. For example, according to the letter submitted by Augusta

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Communities (Attachment M), Augusta Communities purchased Valley View Mobile Home Park in 2000, with proceeds from revenue bonds issued by the Yucaipa Redevelopment Agency; and refinanced the park in 2012 by the Independent Cities Financing Authority (ICFA) as part of a pooled bond issue that combined the resources of Valley View with three other parks owned by Augusta in other communities. When Augusta purchased Valley View in 2000, the City's Ordinance had already been in effect for nine years, a fact confirmed by the park's Regulatory Agreement, which provides that the rents cannot exceed the amount considered affordable under federal and state law, or the amount permitted by the City's Ordinance, whichever is less. Thus, the purchase price at the time of Augusta Communities' acquisition of the park as well as at the time of the refinancing by ICFA, took into accounts the rent provisions of the City's Ordinance, including whether the rent provisions of the Ordinance would allow the park owner the opportunity to earn a fair return.

Staff Recommendation: Staff does not recommend that the City amend the Ordinance and Administrative Rules to create a separate procedure or policy regulating rents in non-profit parks such as Valley View

2. **(Vacancy Decontrol)** Ms. Taylor requests that base rents in non-profit parks be adjusted after a home is sold or abandoned, to cover the cost of operating the park at a higher than average level of service with enough surplus to begin funding reserves for improvements. (Attachment M).

Taylor

Staff Comments: Staff's comments on the Annual Adjustment process and vacancy decontrol issues are contained in its discussion under General #1, YMRA #2 and #3, Conway #1, Rottenbacher #1 and #2, and WMA / MHET #3.

Staff Recommendation: Staff's recommendations regarding vacancy decontrol are contained in its recommendations under General #1, YMRA #2 and #3, Conway #1, Rottenbacher #1 and #2, and WMA and MHET #3.

4. **(Capital Improvements – Eliminate Park Resident Vote)** Ms. Taylor requests that capital improvement adjustments resulting from health and safety related projects, including those mandated by law, should be permitted without a vote by park residents (Attachment M).

Taylor

Staff Comments: The Ordinance requires that a park owner obtain prior resident approval from at least 51% of the park residents in order for the park owner to obtain approval from the City for a Capital Improvement Rent Adjustment. The Ordinance does not require prior majority approval for capital improvements constructed for health and safety reasons. However, because disputes frequently arise between the park owner and park residents about whether an improvement is for health and safety reasons, and the City Rent Administer decides whether or not the improvement was necessary for health or safety reasons, staff typically recommends a resident meeting in an attempt obtain 51% resident consent. The overall intent of the resident meeting is to provide the residents

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with the reasons for the proposed improvement and the park owner's position why the proposed improvements are necessary for the health or safety or the park, its residents, or the community.

Staff Recommendation: For the reasons set forth in the Staff Comments and Admin #1, Staff does not recommend such changes to the Ordinance or Administrative Rules with respect to the vote provisions relating to Capital Improvement Rent Adjustments at this time.

Taylor

5. **(Capital Improvements – Approval Prior to Commencement)** Ms. Taylor is requesting that rent increases related to health and safety projects, including those mandated by law, should be approved by the governing body prior to the commencement of the project rather than after the project has been completed. Ms. Taylor indicates that capital improvements cannot be constructed without knowing the method of financing (Attachment M).

Staff Comments: The Ordinance does not regulate the method of financing of a capital improvement in a park; the park owner selects the financing method and includes the cost of that financing in the proposed Capital Improvement Rent Adjustment. As set forth in YMRA #2, above, the City carried out an extensive review of the Ordinance's Capital Improvement Rent Adjustment provisions during the 2011 biennial review, and amended the Ordinance and Administrative Rules to provide for emergency capital improvements. Staff believes that the current Capital Improvement Rent Adjustment provisions represent of a fair balancing of the interests of park owners and park residents, by requiring that health and safety improvements do not require 51% resident consent but encourage the park owner to consult with the park residents and obtain that consent in the event there is a dispute over whether the proposed improvements are health and safety improvements.

Staff Recommendation: For the reasons set forth in the Staff Comments, as well as Staff's Comments and Recommendation under Admin #1, above, Staff does not recommend any changes to the Capital Improvement Rent Adjustment provisions of the Ordinance or Administrative Rules regarding timing of submittal of Capital Improvement Rent Adjustment applications at this time.

ISSUE PRESENTED BY IAN DYER, REAL ESTATE ADVISORS, INC, ON BEHALF OF YUCAIPA VALLEY AND HIDE-AWAY MOBILEHOME PARK

Dyer

1. **(Park Owned Mobilehomes)** Mr. Dyer requests that the City amend the Ordinance and Administrative Rules to allow homesite rents to rise to market when the mobilehome is owned by the park. (Attachment N)

Staff Comments: Under YMC §15.20.050(B)(2), spaces owned by the park are not subject to the rent limitations of the Ordinance. However, once a park-owned coach is sold to a resident (through a rent-to-own agreement or straight purchase) and the coach remains in the park, the base rent shall be either the last regulated space rent charged for

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the space, if the space was previously subject to this code, increased by the annual CPI increases properly charged by the park and any other applicable commission-approved rent increase for the spaces in the park; or if the space was never subject to this code, the average of the rents charged for comparable spaces in the park subject to rent control. Staff's additional comments on vacancy decontrol are contained in its discussion under YMRA #3 and WMA and MHET #3.

Staff Recommendation: Staff does not recommend any change to the Ordinance or Administrative Rules with respect to park-owned mobilehomes at this time,

CONCLUSIONS:

Following the Commission's review and discussion of this Report, the Report and any Ordinance and Resolution changes recommended by the Commission, will be presented to City Council for review and action.

Attachments:

A 2015 Chart of Average Rents – City of Yucaipa
B YMRA
C YMRA
D YMRA
E YMRA
F YMRA
G YMRA
H YMRA
I Conway
J WMA
K MHET
L Rottenbacher
M Taylor
N Dyer
O GSMOL Survey of CA Jurisdictions with Mobilehome Park Rent Stabilization Ordinances (updated March 2015)

Approved by: _____

Attachment A

2015 CITY OF YUCAIPA
General Services/City Clerk Dept.

		PARK SPACES Source: 2015 Annual Registration							BASE RENTS LONG-TERM LEASE (LTL) SPACES Source: 2015 Annual Registration			BASE RENTS RENT CONTROL SPACES (**Source: 2015 Adjusted Space Rents [CPI Increase])		
Mobilehome Park	Address	Total Spaces	Park Owned	LT Lease	Rent Control	Vacant Pads	PO Vacant Coaches	RO Vacant Coaches	LTL High Base Rent	LTL Low Base Rent	LTL Average Base Rent	RC High Base Rent	RC Low Base Rent	RC Average Base Rent
Aladdin Mobilehome Park *	12813 7th Street	96	41	0	55	0	9	0	$0.00	$0.00		$326.81	$268.49	$314.85
Avalon Mobilehome Park *	35011 Avenue E	85	41	0	44	0	9	0	$0.00	$0.00		$351.71	$326.73	$348.60
Bel Aire Mobilehome Park	13060 2nd Street	111	26	16	69	8	2	0	$484.00	$326.14	$401.03	$582.24	$293.15	$355.59
Bonanza Mobilehome Park *	13645 5th Street	83	15	0	68	0	2	0	$0.00	$0.00		$347.67	$325.19	$345.31
Caravan Mobilehome Park *	12656 2nd Street	70	2	0	68	2	0	0	$0.00	$0.00		$304.11	$250.57	$267.04
Carriage Trade Manor MHP *	12874 California St	97	0	0	97	0	0	0	$0.00	$0.00		$257.79	$222.18	$233.93
Crafton Hills Mobilehome Park	31816 Avenue E	159	3	112	44	0	0	0	$378.61	$297.02	$346.06	$382.09	$309.12	$329.58
Crestview I Mobilehome Park *	12220 5th Street	145	3	105	37	0	0	1	$318.25	$291.35	$310.16	$321.18	$296.02	$312.56
Crestview II Mobilehome Park	12821 4th Street	55	13	0	42	0	1	0	$0.00	$0.00		$449.08	$260.30	$344.59
Eldorado Mobilehome Park [1] *	35218 Fir Street	217	2	0	215	0	0	0	$0.00	$0.00		$474.01	$344.02	$402.52
Executive Mobilehome Park	10622 Bryant Street	152	1	0	151	0	0	0	$0.00	$0.00		$455.11	$355.63	$410.45
Fremont Heights Mobilehome Park *	12151 Fremont St	114	5	0	109	1	2	0	$0.00	$0.00		$546.87	$470.07	$502.73
Grandview East Mobilehome Park [1]	12655 2nd Street	99	1	0	98	1	0	0	$0.00	$0.00		$453.59	$248.22	$358.27
Grandview West Mobilehome Park *	12700 2nd Street	51	0	1	50	0	0	0	$316.84	$316.84	$316.84	$381.58	$338.53	$346.61
Green Valley Mobilehome Park	12414 4th Street	109	98	0	11	0	24	0	$0.00	$0.00		$315.76	$304.05	$312.14
Hidden Valley Mobilehome Park *	12680 4th Street	60	0	0	60	0	0	0	$0.00	$0.00		$317.08	$305.33	$312.82
Hidden Village Mobilehome Park *	12582 2nd Street	81	4	0	77	1	0	0	$0.00	$0.00		$411.04	$349.77	$374.55
Hide-Away Mobilehome Park	34447 Yucaipa Blvd	46	2	20	24	0	2	0	$750.00	$395.00	$584.50	$349.01	$347.00	$348.92
Hillcrest Mobilehome Park *	33600 Calimesa Blvd	196	61	0	135	19	7	0	$0.00	$0.00		$662.72	$401.53	$426.97
Hitching Post Mobilehome Park	34642 Yucaipa BLvd	110	13	0	97	7	0	0	$0.00	$0.00		$497.38	$267.65	$351.71
Holiday Mobilehome Park	34184 County Line Rd	128	69	0	59	1	3	0	$0.00	$0.00		$305.58	$230.81	$268.16

[1] Denotes Non-Profit Status
* Senior Park
** Base rents subject to change with City approval of annual CPI increases that take place throughout the year

Updated 12/15/2015 S:\GENERAL SERVICES - CITY CLERK\MOBILEHOME FILES\Linked Spreadsheets\2015\2015 Summary of High and Low Rents with Senior and Family Breakdowns.xlsm

2015 CITY OF YUCAIPA
General Services/City Clerk Dept.

		PARK SPACES Source: 2015 Annual Registration							BASE RENTS LONG-TERM LEASE (LTL) SPACES Source: 2015 Annual Registration			BASE RENTS RENT CONTROL SPACES (**Source: 2015 Adjusted Space Rents [CPI Increase])		
Mobilehome Park	Address	Total Spaces	Park Owned	LT Lease	Rent Control	Vacant Pads	PO Vacant Coaches	RO Vacant Coaches	LTL High Base Rent	LTL Low Base Rent	LTL Average Base Rent	RC High Base Rent	RC Low Base Rent	RC Average Base Rent
Knollwood Mobilehome Park	12941 2nd Street	124	36	31	57	3	6	0	$468.57	$295.22	$364.44	$450.64	$294.95	$345.67
Lakeview Mobile Estates	11050 Bryant Street	296	2	0	294	2	1	1	$0.00	$0.00		$494.65	$415.81	$462.93
Las Casitas Mobilehome Park	33848 Avenue G	70	17	43	10	7	9	0	$922.00	$230.00	$545.03	$537.26	$291.75	$442.84
Melody Lane Mobilehome Park	12688 California St	32	5	0	27	2	0	0	$0.00	$0.00		$338.81	$257.94	$299.76
Mission Valley Oaks Mobilehome Park*	12367 4th Street	76	2	74	0	1	1	0	$520.00	$420.00	$496.18	$0.00	$0.00	
Mount Vista Mobilehome Park	13061 2nd Street	56	2	0	54	0	1	0	$0.00	$0.00		$344.58	$247.62	$263.62
Mountain View Mobilehome Park	12726 California St	77	13	0	64	0	2	0	$0.00	$0.00		$338.81	$259.14	$292.27
Northview Mobilehome Park *	10675 Bryant Street	129	3	11	115	2	1	0	$255.22	$227.89	$237.01	$256.88	$219.31	$238.56
Park Terrace Mobilehome Park *	12177 3rd Street	73	2	0	71	2	0	0	$0.00	$0.00		$291.08	$291.08	$291.08
Patrician Mobilehome Park *	34480 Countyline Rd	137	2	5	130	2	0	0	$400.00	$400.00	$400.00	$339.98	$313.04	$321.70
Rancho Del Sol Mobilehome Park [1]	12351 4th Street	110	5	0	105	4	0	0	$0.00	$0.00		$453.54	$299.38	$412.27
Skyline Village Mobilehome Park *	12650 California St	77	41	0	36	12	6	0	$0.00	$0.00		$308.33	$266.81	$296.56
Twin Pines Mobilehome Park	12300 5th Street	93	79	1	13	0	7	0	$543.74	$543.74	$543.74	$323.54	$306.02	$314.36
Valley Breeze Mobilehome Park *	13576 California St	87	37	0	50	12	10	0	$0.00	$0.00		$362.56	$349.30	$352.35
Valley View Mobilehome Park [1] *	12995 6th Street	75	10	0	65	4	3	0	$0.00	$0.00		$334.82	$256.68	$296.03
Westwind Mobilehome Park	12380 4th Street	86	58	0	28	0	2	0	$0.00	$0.00		$339.06	$208.13	$256.04
Wildwood Canyon Mobilehome Park	34111 Wildwood Cyn	147	2	0	145	0	1	0	$0.00	$0.00		$324.22	$250.69	$282.41
Wishing Well Mobilehome Park*	13063 5th Street	73	15	0	58	1	1	0	$0.00	$0.00		$313.16	$230.50	$255.58
Yucaipa Valley Mobilehome Park	12710 3rd Street	104	4	71	29	0	3	0	$696.00	$395.00	$526.17	$342.33	$340.36	$342.24
Yucaipa Village Mobilehome Park *	12830 6th Street	82	0	0	82	0	0	0	$0.00	$0.00		$476.05	$333.78	$348.67
	Total Spaces:	**4,268**	**735**	**490**	**3,043**	**94**	**115**	**2**						

[1] Denotes Non-Profit Status
* Senior Park
** Base rents subject to change with City approval of annual CPI increases that take place throughout the year

Updated 12/15/2015 S:\GENERAL SERVICES - CITY CLERK\MOBILEHOME FILES\Linked Spreadsheets\2015\2015 Summary of High and Low Rents with Senior and Family Breakdowns.xlsm

Attachment B

Kim Everts

From: Jennifer Shankland
Sent: Wednesday, April 01, 2015 2:52 PM
To: Kim Everts
Subject: FW: Application Fee - Bienniel review of Mobile home Rent Stabilization Ordinance and Administrative Rules

Also put with folder

From: Tony Slaick [mailto:datonestir@aol.com]
Sent: Wednesday, April 01, 2015 2:50 PM
To: Jennifer Shankland
Subject: Fwd: Application Fee - Bienniel review of Mobile home Rent Stabilization Ordinance and Administrative Rules

April 1, 2015

Yucaipa Mobile home Renters Association (YMRA)
Tony Slaick, Chairman
P. O. Box 1052
Yucaipa, CA 92399

Jenifer Shankland
Director of General Services/City Clerk/Rent Administrator
City of Yucaipa
34272 Yucaipa Blvd.
Yucaipa, CA 92399

Re: Application Fee - Biennial review of Mobilehome Rent Stabilization Ordinance, (Yucaipa Municipal Code [YMC] 15.20) and Administrative Rules

Dear Ms. Shankland,

Thank you for the opportunity to submit questions, concerns and comments for consideration in the Biennial review.

I beseech city Staff to do/recommend there be a study that will explore the pros and cons, the fairness and/or hardships that could make the filing of an application (currently $1750) possible or prohibitive.

The structure of the Ordinance and/or Rules pertaining to filing an application currently offers relief to the city by keeping the filing numbers low, resulting in a more orderly and manageable operation of maintaining the overall system relating to Rent Stabilization.

As the average resident (senior) in a Yucaipa mobile home park could not possibly afford to make the filing, it is likely that many voices and issues are not being heard. The YMRA represents the residents of Yucaipa mobile home parks, however, finds the filing fees prohibitive in many important matters, resulting in an inability to bring the needed voice of the many mobile home residents to the proper legal arena; specifically, but not limited to, the Rent Review Commission.

Agenda

Considering that the mobile home park residents as well as mobilehome park owners currently bear the cost of administrating and implementing the ordinance, it seems that the benefited parties could continue the same and gain a measure of relief by deferring the cost by allowing postponement of the fees. In view of the fact that in an action, the prevailing party is also awarded recovery of legal fees, it seems reasonable the city consider the following scenarios: 1. An application is filed by (a) park tenant(s), the matter is heard and the award goes to the park owner; tenant(s) lose case. In the case of a park owner being successful, he/she is awarded recovery of legal fees; paid by tenant(s). The application fee could be divided by the park spaces and added to the maintenance amount that is calculated in the annual cost of maintaining the ordinance. The park owner would not be impacted. The city would recover the $1750, and the residents of the park would have at least had the opportunity of being heard. 2. The tenant(s) prevail. They are awarded recovery of legal fees, however, the application cost would then go directly to the city from the park owner.

This is a very preliminary move in an effort to impress upon city staff that there are options in aiding people who's voices cannot be heard due to the financial barriers that could be overcome through creative problem solving.

There could be a criteria for determining who/what parties are responsible for the application fees. An example: If an individual in a mobilehome park wanted to pursue the filling of an application, they would either have to personally pay the filing fee (no waiver/postponement) or get at least 35% or 51% (a percentage to be determined) of the park residents to vote in favor of filing the application. Furthermore, in a filing that relates to all mobilehome parks in Yucaipa, the application cost could be recovered throughout the entire mobilehome park community through the annual assessment of the cost of maintaining the Ordinance; again by vote.

I would imagine city staff would feel this somewhat burdensome and justly so, however, IF mobilehome park residents (keeping in mind they are for the most part seniors), we're to complete the process to qualify, that in itself should reflect the importance of the issue keeping in mind it would also take an effort on their part.

I implore Staff to NOT suggest this be a policy decision for the city, but rather, recommend a study that will result in changes to the Ordinance that will allow the mobilehome residents as well as YMRA (their collective voices) to file an application without the current cost prohibitive structure.

In conclusion, the right thing to do is to make provisions for every resident to be heard. At the same time, make the provisions to where standards are met, qualifications are clear and the burden is shared.

Again, thank you for your serious consideration.

Respectfully,

Tony Slaick, Chairman YMRA
Yucaipa Mobilehome Residents Association

Agenda

Kim Everts

From: Jennifer Shankland
Sent: Friday, April 03, 2015 8:38 AM
To: Kim Everts
Subject: FW: CPI used in rent increases vs Capital Improvements - Biennial review of Mobilehome Rent Stabilization Ordinance (YMC 15.20) & Administrative Rules

From: Tony Slaick [mailto:datonestir@aol.com]
Sent: Friday, April 03, 2015 8:30 AM
To: Jennifer Shankland
Subject: CPI used in rent increases vs Capital Improvements - Biennial review of Mobilehome Rent Stabilization Ordinance (YMC 15.20) & Administrative Rules

April 3, 2015

Yucaipa Mobilehome Residents Association (YMRA)
Tony Slaick, Chairman
P. O. Box 1052
Yucaipa, CA 92399

Jenifer Shankland
Director of General Services/City Clerk/Rent Administrator
City of Yucaipa
34272 Yucaipa Blvd.
Yucaipa, CA 92399

CPI used in rent increases vs Capital Improvements - Biennial review of Mobilehome Rent Stabilization Ordinance (YMC 15.20) & Administrative Rules

Dear Ms. Shankland,

Thank you for the opportunity to submit questions, concerns and comments for consideration in the Biennial review.

In spite of all the inclusions that create the overall composition to establish fairness in the current formula used in the adjusting of mobilehome space rents (80% of the CPI, capital improvement adjustments/recovery as well as the MNOI process), mobilehome park owners as well as powerful organizations that represent them have proposed that annual rent increases be equal to the change in CPI and not a percentage thereof.

With all due respect, I urge that very careful consideration is given to all the current aspects of the ordinance that collectively create a more than fair and balanced system. This system has established guidelines for an honest return and profits for mobilehome park owners while protecting residents from possible abuses that would not otherwise have oversight. The ordinance has had much analysis and scrutiny. It seems evidently clear that if all is "on the up and up", the current Mobilehome Rent Stabilization Ordinance and Administrative Rules will prevail for mobilehome park owners as well as the mobilehome park residents.

If any change in the CPI percentage were to be an increase, there should no longer be the possibility of a capital improvement recovery. In other words, there should be no way for a mobilehome park owner to pass the cost on to the mobilehome park residents ever/at anytime.

As with any rental property, a properly managed property is rented with the anticipation that there will be future expenses as well as capital improvements. In the real world (for lack of a better way to express this), a property owner does not collect rents and only do basic maintenance. They know that removing an old worn "shake" roof on slats and replacing it by tearing it off, sheeting it and re-roofing with a modern upgraded & improved product could fall into a capital improvement. Pouring a concrete driveway where it was once dirt would also be a capital improvement. In any event, these are paid for by the owner through the rents collected and the monies held back from those rents or through future rents collected along with regular rent increases.

Imagine if a property owner replaced a roof or poured a driveway and then turned to the renter/tenant and said "I just upgraded the roof and I need you to pay for it" or "I just poured a concrete drive where you were parking on dirt ... I need you to pay for it"

A home owner (landlord) as well as mobilehome park owners know that capital improvements also increase their property values.

Many of the capital improvements in mobilehome parks relate to streets and structures that currently exist. Though often labeled capital improvements, it is not uncommon for park owners to divert monies to personal uses or unrelated investments and neglect park maintenance. When this is the case, the result is generally a complete replacement and/or upgrade that is then labeled a "Capital Improvement" and then paid for by park residents.

Many capital improvements are completely legitimate. The current process has all the needed provisions for park owners to pass on/recover costs.

The CPI percent currently used should remain the same. IF a change in this is being considered, I would respectfully urge a move to a lower number as long as the Capital Improvement provisions are available.

In summary, the CPI percentage currently used as the basis for rent increases should NOT be increased; especially without complete removal of the Capitol Improvement option.

Thank you for your objective consideration.

Respectfully submitted,

Tony Slaick, Chairman
Yucaipa Mobilehome Residents Association

Agenda

Kim Everts

From: Jennifer Shankland
Sent: Wednesday, April 01, 2015 2:53 PM
To: Kim Everts
Subject: FW: Vacancy Control - Biennial Review - Mobilehome Rent Stabilization Ordinance & Administrative Rules

This also

From: Tony Slaick [mailto:datonestir@aol.com]
Sent: Wednesday, April 01, 2015 2:42 PM
To: Jennifer Shankland
Subject: Fwd: Vacancy Control - Biennial Review - Mobilehome Rent Stabilization Ordinance & Administrative Rules

April 1, 2015

Yucaipa Mobilehome Residents Association (YMRA)
Tony Slaick, Chairman
P. O. Box 1052
Yucaipa, CA 92399

Jenifer Shankland
Director of General Services/City Clerk/Rent Administrator
City of Yucaipa
34272 Yucaipa Blvd.
Yucaipa, CA 92399

Re: Biennial Review of Mobilehome Rent Stabilization , (Yucaipa Municipal Code [YMC] 15.20) and Administrative Rules - Vacancy Control

Dear Ms. Shankland,

Thank you for the opportunity to submit questions, concerns and changes to be considered in the biennial review of the Mobilehome Rent Stabilization Ordinance (YMC 15.20) and Administrative Rules.

As Chairman of the Yucaipa Mobilehome Residents Association (YMRA) and through my experience, as well as speaking with mobile home park owners, managers and residents, I submit the following to you for your consideration:

In general terms, rent control and the 1987 basis for calculating rent increases (based on the CPI), using 80 percent of the CPI annual change, the 5 percent cap, vacancy control, the capital improvement push through process, and the current overall structure of rent control are all effective, reasonable and fair for mobile home park owners as well as mobile home park residents.

Most mobile home parks in Yucaipa are well maintained and run efficiently. The current rent control structure does provide for a fair return for mobile home park owners as well as keeping rents in line with inflation (considering the opportunities/options for capital improvements, etc.), there-by keeping rents affordable as well.

Regarding Vacancy Control, if that were an issue to resurface, I would contend that with the built in annual rent increases (for eligible spaces - if not currently applicable to Vacancy Control, should be), park owners continue to experience gains and are provided an opportunity to remain consistent with profits and inflation.

Currently, (with all things considered in the rent control structure), the vacancy structure regarding rent increases lends to a fair balance for mobile home park owners and residents. This includes departing residents attempting to sell their coaches at a fair market price.

IF, the argument persists that vacancy control be modified or eliminated, I would argue that it should only be changed to allow a space rent increase of half (50%) the prior period CPI adjustment (half of the 80% of the CPI number) or less (40% or less of the actual CPI).

This should not effect or cancel the the normal scheduled space rent increase. The increase in vacancy space rent should only be allowed one time in a 12 month period. If there is a vacancy in the same space in the following year (12+ to 24 month period), that space rent increase should be (proposed) 20% (25% of the actual CPI). This percentage should (in the event of additional vacancies in the same space), continue until a period that exceeds 12 months from the last vacancy increase; resulting in a reset for the full vacancy increase in future vacancies.

It would be difficult to argue this unfair considering a mobile home park owner would actually enjoy (and possibly continue to in basically every year) an annual space increase 150%/1.5 times the normal increases in a given year. Furthermore, if a vacancy were to occur in the following year (12+ - 24 months), that would result in a rent increase of 125%/1.25 times the normal rent increase in that/those years (based on the formula described above).

Finally, on the Vacancy Control issue, the increase should also be capped at half the cap of the regular approved annual rate increase of 5% (2.5% cap). In this case, it is possible to have a space rent increase 7.5% in a given year.

All things considered, the vacancy rule should also factor in with checks and balances. Allowing space rent increases using a formula with these parameters would almost, in a sense, be a windfall for mobile home park owners in that they would enjoy additional space rent increases beyond the normal annual rent increase.

Limiting the amount of increase will help maintain a check and balance by giving park owners the ability to possibly raise space rents at a pace that exceeds 100% of CPI (considering the regular annual space rent increase and the Vacancy Rent increase) while not encouraging unnecessary or unwarranted evictions. Furthermore, although mobile home owners selling their coaches would be impacted, the effect of the impact should be minimal.

As YMRA Chairman, I would only support this if it were to permanently put the Vacancy issue to rest. This should also factor into considerations with any CPI issues as it does create the possibility for some space rents to rise faster than 100% of the CPI.

From the Administrative stand point, this could most likely be calculated using a basic standardized formula. As is the case with most (similar) issues, park owners would need to submit their requests and allow for processing. There could be an established period for submissions during the course of each month and a cut off date. This would allow for processing multiple submissions after the cut off date and easing the burden of a case by case effort.

Thank you for your interest, efforts and consideration in reviewing YMC 15.20 and the Administrative Rules.

Agenda

Respectfully submitted,

Tony Slaick, Chairman
Yucaipa Mobilehome Residents Association

Agenda

Kim Everts

From: Jennifer Shankland
Sent: Friday, April 03, 2015 3:58 PM
To: Kim Everts
Subject: FW: MNOI, Capex, proposed rent increases & financial recovery - Biennial review of Mobilehome Rent Stabilization Ordinance (YMC 15.20) & Administrative Rules

From: Tony Slaick [mailto:datonestir@aol.com]
Sent: Friday, April 03, 2015 2:26 PM
To: Jennifer Shankland
Subject: MNOI, Capex, proposed rent increases & financial recovery - Biennial review of Mobilehome Rent Stabilization Ordinance (YMC 15.20) & Administrative Rules

April 3, 2015

Yucaipa Mobile home Renters Association (YMRA)
Tony Slaick, Chairman
P. O. Box 1052
Yucaipa, CA 92399

Jennifer Shankland
Director of General Services/City Clerk/Rent Administrator
City of Yucaipa
34272 Yucaipa Blvd.
Yucaipa, CA 92399

Dear Ms. Shankland,

I would like to propose that it be incorporated in the Mobilehome Rent Stabilization Ordinance (YMC 15.20) and/or in the Administrative Rules that when a Maintenance of Net Operating Income (MNOI) is filed, that a mobilehome park owner also be required to provide or make available, their financial reports to all parties that may be affected by the resulting decision.

When a park owner is pursuing a favorable outcome through an MNOI and/or the Rent Review Commissions, it is assumed that everyone affected is in the loop. Even though the affected parties are notified and can present their side, they are at a loss not knowing the financial information that completely relates to the justification of the outcome.

In the spirit of honesty and transparency, a park owner should welcome the opportunity to share information with tenants and related parties if the need is legitimate; sharing this information should help make their case.

Obviously, if park owners have been lacking in maintenance, improvements or in the legitimate use of revenues earned through the operations of their mobilehome park, they would most likely object to this proposal. However, for park owners that would like support from their tenants and/or their representatives, full disclosure and transparency would be an important aspect needed to be included to enhance their best interest.

This proposal would not only help park owners by obtaining the support of their park residents, but could even allow park owners an opportunity to gain positive votes and resident approvals that could preempt legal action. A winning proposition for everyone.

I would hope that, at a minimum, the (Biennial) review process would consider including a requirement for all records relating to financial matters in the operation of their park, be made available to all parties involved. The financial records would include, but not be limited to Profit/Loss statements, Income statements, Balance sheets as well as Cash Flow records.

Also, in the spirit of complete disclosure, this might also include personal tax returns and bank statements or at least the added option as a request.

Please bear in mind that when an MNOI adjustment occurs, they often run into the 10's of thousands of dollars; sometimes hundreds of thousands. Often the decisions are appealed. Allowing mobilehome park residents and their representatives the opportunity to see and digest financial information would bring better clarity, cooperation and more solid agreement when decisions are handed down.

This, by default, could/would lesson the number of cases that would go before the Rent Review Commission as well as the number of appeals that would end up being heard by the City Council.

Once again, thank you for the opportunity to be included in this biennial review.

Respectfully submitted,

Tony Slaick, Chairman YMRA
Yucaipa Mobilehome Residents Association

Agenda

RECEIVED
CITY OF YUCAIPA
MAR 24 2015
GENERAL SERVICES/CITY CLERK'S DEPARTMENT

Attachment F

Jennifer Shankland

From: Tony Slaick <datonestir@aol.com>
Sent: Tuesday, March 24, 2015 8:42 AM
To: Jennifer Shankland
Subject: Fwd: Biannual Review YMC 15.20 RRC Special Meetings 1.0003.

March 21, 2015

To: Jennifer Shanklin
Director of General Services/City Clerk
City of Yucaipa, Rent Administrator

From: Tony Slaick/YMRA Chairman
P.O. Box 1052
Yucaipa, CA 92399

Regarding: Biannual Review of the Mobilehome Rent Stabilization Ordinance (Yucaipa Municipal Code [YMC] 15.20) and Administrative Rules.
City of Yucaipa Rent Review Commission - Special Meetings/notification and update to City of Yucaipa Administrative Rules.
YMC 15.20 1.0003. Special Meetings

Dear Ms Shanklin/et al,

I am writing in response to your invitation to participate (with concerns, questions and/or changes) in the City of Yucaipa Mobilehome Rent Stabilization Ordinance and Administrative Rules biannual review.

Any meeting with the Rent Review Commission is important and of concern to the Yucaipa mobile home residents. A special meeting is more likely to be additionally important. The current City of Yucaipa Administrative Rules (section 1.0001.) states (in general) that there will be a minimum of 24 hours notice given to the public for a City of Yucaipa Rent Review Commission "Special Meeting".

24 hours notice is completely unreasonable/unacceptable to the Yucaipa mobile home residents; keeping in mind that a person would have to watch for postings/notifications 365 days a year to be guaranteed of the notification. In all fairness, it would seem 30 days notice would be more appropriate.

Residents would have to first be informed of the meeting and then have time to properly prepare, digest information and possibly gather material. In addition, and in the concern of the other Yucaipa mobile home residents, the word of the special meeting would most likely need enough time to get out and circulate among other members of the mobile home community.

The mobile home residents, for the most part, are living life (doing what they normally do) and not focused on the concerns that mobile home park owners are preparing to submit to the Rent Review Commission. Mobile home park owners are involved in their business on a daily basis. They have had the luxury of preparing detailed information before submitting to the City of Yucaipa.

Agenda

Due to the fact that we are making reference to a Special Meeting, it is reasonable to expect that there is a higher urgency as well as a possible time sensitive aspect to seeking a resolution to an issue. Given this fact, I would grant that 30 days notice may be difficult. In any event and in all fairness, if the Rent Review Commission were to do justice in serving the mobile home residents (as well as mobile home park owners), there should be a minimum notification of 15 days.

Furthermore, there should be a mailing list (electronic and by U.S. Postal service) for Yucaipa residents and the interested public to subscribe and receive proper notification. This list should be sent out with the required notice set in the (updated/amended) Administrative Rules.

Thank you for your consideration.
Respectfully submitted,

Tony Slaick
YMRA Chairman
(Yucaipa Mobile home Residents Association)

Agenda

Attachment G

Kim Everts

From: Jennifer Shankland
Sent: Wednesday, April 01, 2015 2:51 PM
To: Kim Everts
Subject: FW: Fees to Administer - Re- Biennial review of Mobilehome Rent Stabilization Ordinance (YMC 15.20) & Administrative Rules

Put with Biennial Review file

From: Tony Slaick [mailto:datonestir@aol.com]
Sent: Wednesday, April 01, 2015 2:53 PM
To: Jennifer Shankland
Subject: Fwd: Fees to Administer - Re- Biennial review of Mobilehome Rent Stabilization Ordinance (YMC 15.20) & Administrative Rules

April 1, 2015

Yucaipa Mobilehome Residents Association (YMRA)
Tony Slaick, Chairman
P. O. Box 1052
Yucaipa, CA 92399

Jenifer Shankland
Director of General Services/City Clerk/Rent Administrator
City of Yucaipa
34272 Yucaipa Blvd.
Yucaipa, CA 92399

Re: Fees to administer Ordinance - Biennial review of Mobilehome Rent Stabilization Ordinance , (Yucaipa Municipal Code [YMC] 15.20) and Administrative Rules

Dear Ms. Shankland,

Thank you for the opportunity to submit questions, concerns and comments for consideration in the Biennial review.

It has been argued by mobilehome park owners, that the mobilehome residents are the beneficiaries of rent control. This argument in itself expresses the need for rent control in that it implies that park owners would, if they were allowed, raise mobilehome space rents beyond a reasonable and fair return in profits.

Keeping in mind the fair return provision, it seems the cost of administering the Ordinance to the mobilehome park owners would already in fact, be factored in. In as much as has been stated in the opposition of these fees by mobilehome park owners, I am not aware of any mention (or disclosure) from park owners that this cost, for the most part, is also shared by the mobilehome park residents.

If a mobilehome park owner were unable to make a fair return/profit, due to the impact of the fees charged to administer the Ordinance, that would be allowed to be considered and readjusted through the MNOI process.

Agenda

I fear the many Yucaipa mobilehome park residents (approximately 4500 of them?) are a small voice up against well funded, legal savvy, powerful people and corporations.

It is important to be honest and make full disclosures. The mobilehome park owners do pass on 50% of these costs to the mobilehome park tenants. The fees and fee structure does provide the funding needed to maintain the Ordinance. The fees are shared by the mobilehome park owners as well as the tennants and very obviously offers the needed protections while maintaining an overall fair balance.

It is commendable that the City of Yucaipa has recognized the plight of the Yucaipa mobilehome park residents and have taken the necessary steps to insure fairness across the board.

Thank you for keeping these facts present in your review process. All your consideration is very much appreciated.

Sincerly,

Tony Slaick, Chairman YMRA
Yucaipa Mobilehome Residents Association

Agenda

Kim Everts

From: Jennifer Shankland
Sent: Wednesday, April 01, 2015 2:56 PM
To: Kim Everts
Subject: FW: Changes to the Ordinance - Bienniel review of Mobilehome Rent Stabliization Ordinance & Administrative Rules

And this

From: Tony Slaick [mailto:datonestir@aol.com]
Sent: Wednesday, April 01, 2015 3:00 PM
To: Jennifer Shankland
Subject: Changes to the Ordinance - Bienniel review of Mobilehome Rent Stabliization Ordinance & Administrative Rules

April 1, 2015

Yucaipa Mobilehome Residents Association (YMRA)
Tony Slaick, Chairman
P.O. Box 1052
Yucaipa, CA 92399

Jennifer Shankland
Director of General Services/City Clerk/Rent Administrator
City of Yucaipa
34272 Yucaipa Blvd.
Yucaipa, CA 92399

Re: Changes to the Ordinance - Biennial review of Mobilehome Rent Stabilation Ordinance (Yucaipa Municipal Code [YMC] 15.20) and Administrative Rules

Dear Ms. Shankland,

In the past reviews there have been arguments in favor and against the rent control ordinance. Reference has been made to low cost/affordable housing and compared with income levels to illustrate affordability.

I submit the following to you to reiterate what I believe is one of the core reasons for rent control. It seems there is much emphasis on affordability for seniors. While being a favorable community benefit as a by product or side benefit, it is my opinion this is not the core reason for the ordinance.

It is noteworthy to reiterate for the purpose of this review.

Mobilehomes, for the most part are generally fairly expensive. Once installed in a park, basically built in; go through a permitting process and basically become a home on a rented lot.

With this in mind and many other factors not mentioned here, mobilehome/coach owners are captive to park owners. The rent control ordinance is extremely important in keeping a balance to insure mobilehome park owners can profit as well as mobilehome/coach owners be protected from excessive space rent increases.

Without the rent control ordinance, park owners would in a sense have a monopoly without oversight. It is in these cases where government entities can and should intervene and bring a balance.

The Mobilehome Rent Stabilation Ordinance (Yucaipa Municipal Code [YMC] 15.20) and Administrative Rules do an excellent job in keeping a fair balance. In addition, this offers a very important aspect that helps the Yucaipa mobile home park residents (mainly seniors) while allowing mobile home park owners to enjoy a fair return.

I encourage and thank you (the City of Yucaipa) for your continued efforts and the balance this brings to protect the mobilehome residents as well as park owners in Yucaipa.

Thank you for considering this in you review.

Sincerely yours,

Tony Slaick, Chairman YMRA
Yucaipa Mobilehome Residents Association

Agenda

RECEIVED
CITY OF YUCAIPA
APR 01 2015
GENERAL SERVICES/CITY CLERK'S DEPARTMENT

Attachment I

April 1, 2015

Bel Aire Mobile Estates, LLC

Post Office Box 760, Alpine, CA 91903
Phone: (619) 445-4845
glacierinv@cox.net

Jennifer Shankland
Director of General Services/ City Clerk/ Rent Administrator
City of Yucaipa
34272 Yucaipa Boulevard
Yucaipa, California 92399-9950

RE: Biennial Review of the Mobilehome Rent Stabilization Ordinance (Yucaipa Municipal Code [YMC] 15.20) and Administrative Rules

Dear Jennifer,

I am writing this letter to suggest a change in the CPI used to calculate the rent increases Parks may use for a full twelve month period.

Since we use the CPI figure from the preceding December to calculate the CPI we use for the next June-May, I suggest that instead we use an average of the CPI percentage from the prior January-December. So, it would be an average of the CPI from the preceding year, then 80% of that to determine how we calculate our rent increases. In reality, I believe we are entitled to set our space rent increases at the full CPI, since our cost of living and operational expenses are increased in full and not subject to 80% of CPI cap. However, currently, I would like to make the suggestion of averaging a year's CPI as the percentage that sets what we are able to use for the next year. This seems like a logical approach since one month of the year isn't a true representation of actual CPI changes for a full year.

Thank you for your time and consideration and should you have any questions please call or email me so I can better explain our proposal.

Sincerely,

Jordan L. Conway

Jordan L. Conway for Rose Mary Conway, Member
Bel Aire Mobile Estates, LLC

Agenda

Attachment J

Western
Manufactured Housing Communities
Association

March 31, 2015

RECEIVED
CITY OF YUCAIPA
APR 03 2015
GENERAL SERVICES/CITY CLERK'S
DEPARTMENT

Ms. Jennifer Shankland
Director of General Services
City of Yucaipa
34272 Yucaipa Blvd.
Yucaipa, CA 92399

Dear Ms. Shankland:

Thank you for the opportunity to submit concerns or areas for discussion regarding the City of Yucaipa's Mobile Home Rent Control Ordinance.

I understand many members, if not all, of the rent review commission are new to the commission this year. It can be difficult to make recommendations to the council not having much, if any, working knowledge of the rent control ordinance or the housing stock it regulates. I suspect this will be a difficult endeavor for a volunteer commission.

The goal of Yucaipa's Mobile Home Rent Control Ordinance is to protect the residents of these communities who, in many cases, are seniors on fixed incomes. You won't find a single community owner in Yucaipa that finds it palatable to abuse or gouge their customers. Despite the fear tactics used to demonize an important affordable housing provider in Yucaipa, we don't want to see someone's life savings being taken from him or her or home ownership lost. While this ordinance has a lofty and noble purpose, if swings too far in the resident's favor and puts the communities' viability at risk. It also costs Yucaipa's unaffected taxpayer millions of dollars with the accompanying litigation.

There is a way out of this quagmire. But it requires leadership and vision. If the city determines that this is just too expensive to taxpayers, there are models of how other cities with many manufactured housing communities provide fairness to property owners and protection for residents in an equitable manner.

The commission is reviewing this ordinance at a historic time. The ordinance is 24 years old. Cities with ordinances like Yucaipa find an increase in the difference between market rents and regulated rents growing at a rapid rate. As this differential grows, so does the likelihood of increased litigation and that comes to a cost to the city and taxpayers. *The time to amend the ordinance is ripe*. You can make three substantial changes to the ordinance if your want to change the outlook in Yucaipa's mobile home parks: 1) adjust annual increases to 100% of CPI, 2) allow pass thrus of capital improvements and 3) allow for rents to adjust to market on turn over.

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phone 951.926.0631 | **fax** 951.926.8770 | **email** julie@pauleconsulting.com | **web** www.wma.org

Agenda

Annual Increases. Unfortunately, a percentage of CPI or sub-inflationary increases overtime will not sustain proper operations of a park and, furthermore, sub-inflationary annual increases do not take into account many of the parks expenses that have risen in the last 24 years astronomically, many of which are government mandated. The 80% figure is argued to be the housing costs associated with the CPI. However, we are businesses and that revenue goes to pay for on-site managers, insurance, legal costs, etc. None of these items come at a discount to the business owner simply because they are a housing provider. Even resident-advocate Dr. Ken Barr is suggesting 100% of the CPI is the best indicator for annual increases in mobile home parks.

Capital Improvement Pass Thrus: Prohibiting pass thrus of capital improvements only defers needed upgrades to these ageing communities. The condition of these properties has been an active concern since 2005. The city hired a firm to study if it could condemn, close or reuse the parks to other uses. That year, the city spent nearly $40,000 on a study that stated the rent control ordinance contributes to the decaying nature of Yucaipa's mobile home parks. This message was soundly rejected by the council. They covered their ears and eyes and threatened not to pay the firm for the study. It was embarrassing for all involved. Fast forward to 2014 and the city tries to address the problem again with another $40,000 study. The outcome of this study still remains to be seen. The reason the aging communities are deteriorating is because the ordinance strips the needed income and revenue to address these problems. It isn't an issue of park owners' willingness to invest, as city staff has suggested in the past. It's that they can't.

Studying reuse hasn't worked and the city has tried now twice at the cost of $80,000 to all of Yucaipa's taxpayers. Why not amend the ordinance and infuse market forces into these communities and watch them bloom as owners actively compete for a higher rental dollar from potential new customers.

Vacancy Decontrol: This single amendment will fundamentally change your communities for the better. First and most importantly, <u>litigation disappears</u>. The market through turn over allows owners to receive a fair rate of return. Lawyers hate this policy change because they aren't needed to represent frustrated park owners, cities (in some cases, cities require two legal teams) and fearful residents.

The way to look at Vacancy Decontrol is very similar to Proposition 13 and local property taxes. In 1978, California voters affirmed that their property taxes shouldn't increase year over year at the same residence with the passage of Proposition 13. . Once they sell their residence the tax resets and is reassessed for the new homeowner. This provides much needed protection all homeowner enjoy today. **Where would the City of Yucaipa be without this reset of property taxes when a residence sells? Would they be able to operate the city with the same revenue since 1978?** They are requiring their park owners to operate under a repressive calculation that they themselves don't adhere to.

In Mr. Herzog's letter he correctly points out that most jurisdictions in San Bernardino County do not have the controls on turn over like Yucaipa. They also

don't have the hysteria that residents claim will happen with this fair and equitable reassessment of rents. They also lack litigation paid for by the entire, citywide tax base. And they don't have the deteriorating conditions of unattended communities.

Some manufactured housing communities operate as non-profits. They bond out for the purchase of the communities and have federal regulatory constraints on how "profits" are set aside or added to pools of funds for the non-profit's affordable housing communities. For investors, this is a tempting exit from the rent control maze. I have had personal conversations that even the non-profits are preparing MNOI applications for the city to review. Is the city ready to hear applicants that can't even break even at their communities? The courts have consistently required park owners are afforded a "fair rate of return" on their investment. What is the standard for non-profits? And has the pendulum swung so far to favor one stakeholder when non-profits have to go through a hearing and then very likely the courts to meet their obligations?

In closing, I would like to thank the commission members for their service to their fellow Yucaipa citizens. We all recognize this is hours of homework and studying to understand all the complexity that is involved with these communities. Collectively, we have a lot of common ground. We can all agree that there is a great need for non-traditional housing that many are priced out of. We can all agree that a level of protection is needed to give a significant peace of mind to residents and their future in their homes. And we can all agree that the citywide Yucaipa taxpayer base must be considered when drafting oversight. The time has come to amend this archaic, regressive ordinance and make positive changes in Yucaipa's mobile home parks.

Sincerely,

Julie Paule, Regional Representative

Attachment K

MHeT
Manufactured Housing Educational Trust

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Vickie Talley

March 30, 2015

Jennifer Shankland
Director of General Services/City Clerk/Rent Administrator
City of Yucaipa
34272 Yucaipa Boulevard
Yucaipa, CA 92399

Sent via Email

Re: Biennial Review of the Mobilehome Rent Ordinance and Administrative Rules

Dear Ms. Shankland:

On behalf of the mobile home park owners in the City of Yucaipa, MHET appreciates being given the opportunity to provide comments as part of the biennial review of the Rent Ordinance and Administrative Rules. We believe the following changes to the Ordinance, and the requisite accompanying changes to the Rules, would be a solid step forward in assuring the continued viability of an important element of the City's Housing Element, the mobile home park communities, and improving the quality of life for its residents.

1. Automatic Annual Rent Adjustments of 100% of the CPI.
The sole reason set forth in the Ordinance for the Rent Ordinance is to prevent supposed "excessive" rent increases. The fact is the rents are not even keeping up with ever increasing expenses due to limiting the annual increase to 80% of CPI.

The CPI is a respected means of determining how much the cost of items goes up each year. Additionally, the CPI is determined by a completely neutral party that is not controlled or influenced by any of the park owners, the residents, or the City. The only thing allowing rents to increase by 100% of the CPI would do is to provide the park owner with the ability to keep up with inflation. How is keeping up with inflation an "excessive" rent increase?

Furthermore, even so-called experts in the field of rent control, including one used by the City, have testified that the stated goal of preventing supposed "excessive" rent increases is ACHIEVED by allowing rents to increase by 100% of the CPI. The logic of this position is inescapable as how can anyone say a rent increase to just keep up with inflation is "excessive". Thus, the Ordinance and rules should be amended to allow for annual rent increases of 100% of the CPI.

2. Capital Improvement Pass Thru
The City has for many years indicated an interest in developing strategies to rehabilitate the mobile home parks. Staff has indicated the parks in Yucaipa were built between 1950 and 1975, so the "newest" park is 40 years old. Clearly, not only have the parks aged, but technology has changed a great deal, and upgrading or replacing park infrastructure is expensive. When the City did take a detailed look into this issue in 2005-2006, the City's own Housing Element said 25% of the mobile home parks would require substantial

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Email: info@mhet.org • Website: www.mhet.org

Agenda

improvements to maintain their viability. The City indicated back then there was a "need to rehabilitate" the parks, or redevelop them.

This led the City to retain the Rosenow Spevacek Group (RSG) to look into, among other things, "what strategies may or may not be feasible" in rehabilitating the parks. Their January, 2006 report was very clear. RSG pointed to "the Ordinance as a **major cause for the deterioration and conditions** observed in some of the mobile home parks. The Ordinance requires that should park owners wish to raise rents to cover capital improvements, they must file an application for a rent increase with the rent administrator....It was noted very few capital improvements have been made **because of this process**..." (RSG report, page 5, emphasis added) The report goes on to state the capital improvement provisions of the Ordinance "are extremely prohibitive and ineffectual. Rather than aid in the continued improvement of the mobile home parks, the **restrictions in the Ordinance may promote a continued lack of reinvestment and capital improvements.**" (RSG report, page 41, emphasis added) Therefore, "given the current provisions of the Ordinance," RSG did not believe a "rehabilitation scenario would be feasible." (RSG report, page 7)

Unfortunately, nothing was done and it is now 9 years later. The situation has not improved as RSG predicted. The City now has the opportunity to change that downward trend, to make rehabilitation of the parks FEASIBLE. A proven way to successfully do so is to allow capital improvements to be amortized and passed thru. This occurs in other cities with rent control ordinances without extensive expert costs and staff time, no lawsuits, no appeals, no attorneys fees. The goal of providing for the rehabilitation of the parks and improving the quality of life for the mobile home park residents is achieved without any City money or effort.

Please, do not allow this unnecessary and detrimental situation to continue. The Ordinance should be amended to provide for the automatic pass thru of capital improvements. This is a path the City of Riverside has used for over 20 years without problems, and it is also a path to bettering the community of Yucaipa.

3. Rent Adjustments Upon Vacancy

The Ordinance and Rules prohibit any rent adjustment when a vacancy occurs in a mobile home park. Again, it is clear from reading Section 15.20.010(A) the purpose of the Ordinance is to prevent supposed "excessive" rent increases. Vacancy decontrol does not cause any of the issues set forth under the Purpose section of the Ordinance. Vacancy control still provides residents who are living in the mobile home parks the full protection against the supposed "excessive" rent increases.

Vacancy decontrol allows a new resident who is considering living in a mobile home park to come to an agreement on an acceptable rent level with the park owner. One that is affordable to the prospective resident. Once moved into the park, any future rent increase is fully regulated by the Ordinance. The objective of protecting residents against any supposed "excessive" rent INCREASES remains completely intact.

It should also be noted Yucaipa is one of the few cities that has a ban on rent adjustments when there is a vacancy. In fact, in San Bernardino County, only two cities have such a provision. In

all of the other cities there is no such provision, there is no crisis, no pending disasters, no one being thrown out of parks. So the reality is, as proven by other cities, that allowing rent adjustments at the time of vacancy is fair and reasonable, and still protective of the residents.

Based upon the above, it is respectfully submitted the ban on rent adjustments when a vacancy occurs should be eliminated.

Thank you for considering our comments. MHET looks forward to working with you, the Commission, the City Council, and the residents as we progress through the biennial review. I am more than happy to meet with you to discuss the ideas set forth above and any of the written comments that might be received from other organizations or individuals. Please feel free to contact me at any time.

Sincerely,

Peter Herzog
Inland Empire Representative

Calanda Real LP

P.O. Box 1389 · Alhambra, CA 91802 · 626-289-3109 · Fax 626-289-2951

March 25, 2015

RECEIVED
CITY OF YUCAIPA
MAR 25 2015
GENERAL SERVICES/CITY CLERK'S DEPARTMENT

City of Yucaipa
Attn: Jennifer Shankland
34272 Yucaipa Blvd.
Yucaipa, CA 92399-9950

Dear Ms. Shankland:

Thank you for the opportunity to submit our concerns for the biennial review of the Mobilehome Rent Stabilization Ordinance.

We request the Rent Review Commission consider the following changes to the Ordinance:

1. Allow for an administrative annual increase of 100% of the change in the CPI. For the past 7 years the CPI increased on average 1.9%. Our operating expenses increased by more than twice that rate during same period of time. Restricting a full adjustment by the change in the CPI only further erodes the overall maintenance standards of Mobile Home Parks. Bear in mind that the prior 7-year period the CPI increased 4% on average.

2. Remove the 5% maximum annual increase provision and/or implement a minimum administrative 2.5% annual increase. A minimum fairly balances out unrecovered increases during periods of high inflation.

3. Provide for an increase of 5% in the then current monthly rent upon the resale of a mobilehome or vacancy limited to once every 3 years per space. Without resale adjustments or vacancy adjustments coupled with only partial CPI adjustments, the difference between market rents and actual rents continues to increase. Since income requirements for new incoming homeowners are based on the current rent, the unintended consequence of the Ordinance is to lower income standards for new homeowners. A case can be made that lower income standards increase police involvement impacting the overall reputation of the City.

Thank you for your consideration.

Sincerely,

Andrew Rottenbacher
General Partner

cc: Julie Paule, WMA
Peter Herzog, MHET

RECEIVED
CITY OF YUCAIPA
APR 06 2015
GENERAL SERVICES/CITY CLERK'S
DEPARTMENT

Attachment M

AUGUSTA COMMUNITIES
augustacommunities.org
400 N Mountain Avenue, Suite 205 • Upland, California 91786
T • 909-981-0192 F • 909-981-9130

April 3, 2015

Members of the Commission
City of Yucaipa MRRC
34272 Yucaipa Blvd.
Yucaipa, CA 92339

Dear Members of the MRRC:

I am writing on behalf of Augusta Communities, a 501(c)3 affordable housing non-profit that owns Valley View Mobile Home Park, a 77-space senior park located at 12995 6th Street in Yucaipa. Augusta has been providing affordable housing opportunities to over 750 households in Southern California for 16 years. This letter is written in response to the city's request for comments on Yucaipa's Mobilehome Rent Stabilization Ordinance for consideration at the upcoming MRRC study session.

BACKGROUND

Valley View was purchased by Augusta in October 2000 with the proceeds of revenue bonds issued by the Yucaipa Redevelopment Agency. The project was refinanced by the Independent Cities Financing Authority (ICFA) in 2012 as part of a pooled bond issue that combined the resources of Valley View with three other parks owned by Augusta. The purpose of the refinancing was to increase the amount available for operations and maintenance, and to raise funds for capital improvements.

Valley View is governed by a variety of financing documents including the Indenture, Loan Agreement, Oversight Agreement and Regulatory Agreement. The bond structure requires the property manager to forward net operating revenue to a trust officer who is responsible for the payment of the bond loan, fees and expenses. All remaining funds are held by the trustee in a surplus account, and are only released for projects that benefit park residents after receiving written approval by the oversight agent, who works on behalf of the issuer. Under the governing documents, Augusta has the right to an administrative fee to cover its expenses, but only when surplus funds are available. Augusta is prohibited by law from taking a profit.

The Regulatory Agreement governs spaces rents and maintenance standards. Under the agreement, Valley View's space rents are limited to the amount considered affordable under federal and state law, or the amount permitted by Yucaipa's Rent Stabilization Ordinance, whichever is less. The agreement places "prime importance on quality maintenance" and emphasizes that the park must not be allowed to deteriorate to a "below average state of repair".

Agenda

To assure compliance with the governing agreements, the oversight agent reviews Augusta's conformance with the governing documents and provides quarterly financial statements and compliance reports to the city, ICFA and bond investors. The oversight agent's responsibilities include reviewing and approving annual operating budgets; reviewing financial statements and annual audits; monitoring federal and state household income limits and affordability standards; reviewing and approving capital improvement and surplus expenditures; and conducting quarterly inspections of the park.

Park residents are kept apprised. Augusta holds quarterly meetings at the park's clubhouse where budgets, financial statements, annual audits, capital improvement updates and minutes of meetings are presented to the residents. Budgets, quarterly financial statements and annual audits are also posted on Augusta's website.

CONCERNS

Augusta does not make ownership decisions based on profitability or return on investment. Because it is a non-profit charitable organization, surplus cash is returned to the properties for the benefit of the residents. Augusta's budgeting decisions are based on bettering neighborhoods, enriching the lives of residents and preserving affordability. Rents are kept low, properties are maintained and improved, and supportive services, such as rent subsidies, are offered. Valley View is the only park Augusta owns that does not benefit from this level of service.

In Valley View, Yucaipa's restrictive rent controls permit rents that are high enough to support a part-time office and management staff and pay for ordinary maintenance, but are not high enough to pay the park's share of administrative costs or repay intercompany operating loans; and revenues fall completely short of funding long-term capital needs. As illustrated in Attachment A, the average monthly base space rent in Valley View in 2014 was just $293—far below what is consider affordable under federal and state law.

Valley View was built sixty years ago. Even with an adequately maintained infrastructure, emergencies and failures inevitably occur, and utilities systems and common area facilities must eventually be replaced. Although Augusta has spent over $350,000 on capital improvement projects (funded from bond proceeds and loans from other Augusta properties), many critical projects remain outstanding. Valley View currently has only $30,000 in reserve for capital improvements and emergencies, and net operating revenues do not support additional loans. Augusta has had limited success in finding outside funding sources for these projects, and the park cannot be refinanced for at least another ten years.

In spite of extraordinarily low rents, vacancies are increasing because prospective renters are not interested in living in a mobilehome that is at the end of its useful life, or that either needs substantial repairs or a complete overhaul to become habitable. These home are often pulled out of the park by heirs, or are abandoned and become the responsibility of the park. If the park's electrical system cannot accommodate a newer home, or if no funds are available to install a new home or rehabilitate the old one, the space remains empty, resulting is a long-term loss of rental income that the park can ill afford.

In Valley View, rents are simply too low to support a financially stable community. Without regulatory relief, the long-term viability of the park as a quality source of affordable housing is at stake.

CHANGES

A separate rental adjustment policy should be developed for 501(c)3 housing non-profits that comply with federal and state household income and affordability standards, provide full financial transparency to park residents and to the public, and that by the nature of their organizational structure, do not make a return on investment. Non-profits must keep rents affordable, but they also must pay their bills and set aside funds for long-term capital needs.

The policy for non-profit owners should incorporate the changes listed below.

- Base rents, which were calculated many years ago, should be adjusted after a home is sold or abandoned. Revised base rents should cover the cost of operating the park at a higher than average level of service with enough surplus to begin funding reserves for future improvements.

- In addition to the currently permissible annual CPI rent increase, an additional reasonable rent increase should be permitted upon the sale or abandonment of a home. New residents should benefit from rent controls that protect the investment in their home, and that protection should not be linked to that of the previous homeowner.

- Capital improvement adjustments resulting from health and safety related projects, including those mandated by law, should be permitted without a vote by park residents. Augusta is responsible for keeping Valley View's physical infrastructure safe and well-maintained, not the residents.

- Rent increases related to health and safety projects, including those mandated by law, should be approved by the governing body prior to the commencement of the project rather than after the project has been completed. Capital improvements cannot be constructed without knowing the method of financing.

Sincerely,

Suzanne Taylor
Executive Director

Yucaipa MHP Average Base Rent
2014

Mobilehome Park	Senior Park	Address	2014 Average Base Rent	Above/Below Valley View Base Rent	Rank High to Low	% Average Base Rent Above or Below Valley View
Fremont Heights Mobilehome Park *	x	12151 Fremont St	499.97	206.63	1	70.4%
Mission Valley Oaks Mobilehome Park •	x	12367 4th Street	490.16	196.82	2	67.1%
Lakeview Mobilehome Park		11050 Bryant Street	458.71	165.37	3	56.4%
Las Casitas Mobilehome Park		33848 Avenue G	428.18	134.84	4	46.0%
Hillcrest Mobilehome Park *	x	33600 Calimesa Blvd	422.57	129.23	5	44.1%
Rancho Del Sol Mobilehome Park (Non-Profit)		12351 4th Street	407.99	114.65	6	39.1%
Executive Mobilehome Park		10622 Bryant Street	406.71	113.37	7	38.6%
Eldorado Mobilehome Park (Non-Profit) *	x	35218 Fir Street	400.19	106.85	8	36.4%
Hidden Village Mobilehome Park *	x	12582 2nd Street	371.20	77.86	9	26.5%
Hitching PoslMobilehome Park		34642 Yucaipa BLvd	354.73	61.39	10	20.9%
Grandview East Mobilehome Park (Non-Profit)		12655 2nd Street	354.47	61.13	11	20.8%
BelAire Mobliehome Park		13060 2nd Street	352.44	59.10	12	20.1%
Valley Breeze Mobilehome Park •	x	13576 California St	350.20	56.86	13	19.4%
Avalon Mobilehome Park •	x	35011 Avenue E	346.94	53.60	14	18.3%
Hide-Away Mobilehome Park		34447 Yucaip a Blvd	346.88	53.54	15	18.3%
Knollwood Mobilehome Park		12941 2nd Street	343.96	50.62	16	17.3%
Yucaipa Village Mobilehome Park •	x	12830 6th Street	343.51	50.17	17	17.1%
Grandview West Mobilehome Park *	x	12700 2nd Street	343.45	50.11	18	17.1%
Bonanza Mobilehome Park •	x	13645 5th Street	343.41	50.07	19	17.1%
Crestview II Mobliehome Park		12821 4th Street	341.63	48.29	20	16.5%
Yucaipa *Valley* Mobilehome Park		12710 3rd Street	339.76	46.42	21	15.8%
Crafton Hills Mobilehome Park		31816 Avenue E	326.63	33.29	22	11.3%
Patrician Mobilehome Park •	x	34480 Countyline Rd	318.90	25.56	23	8.7%
Aladdin Mobilehome Park •	x	12813 7th Street	313.36	20.02	24	6.8%
Twin Pines Mobilehome Park		12300 5th Street	311.49	18.15	25	6.2%
Hidden Valley Mobilehome Park *	x	12680 4th Street	309.97	16.63	26	5.7%
Crestview I Mobilehome Park *	x	12220 5th Street	309.89	16.55	27	5.6%
Green Valley Mobilehome Park		12414 4th Street	309.30	15.96	28	5.4%
Melody Lane Mobilehome Park		12688 California St	295.35	2.01	29	0.7%
Skyline Village Mobilehome Park •	x	12650 California St	294.73	1.39	30	0.5%
Valley View Mobilehome Park (Non-Profit) •	x	12995 6th Street	293.34	0.00	31	
Mountain View Mobilehome Park		12726 California St	289.61	3.73	32	-1.3%
Park Terrace Mobilehome Park •	x	12177 3rd Street	289.40	3.94	33	-1.3%
Wildwood Canyon Mobilehome Park		34111 Wildwood Cyn	279.84	13.50	34	-4.6%
Caravan Mobilehome Park •	x	12656 2nd Street	265.50	27.84	35	-9.5%
Holiday Mobilehome Park		34184 County Line Rd	265.18	28.16	36	-9.6%
Mount Vista Mobilehome Park		13061 2nd Street	261.28	32.06	37	-10.9%
Westwind Mobilehome Park		12380 4th Street	255.81	37.53	38	-12.8%
Wishing Well Mobilehome Park •	x	13063 5th Street	253.66	39.68	39	-13.5%
Northview Mobilehome Park *	x	10675 Bryant Street	237.26	56.08	40	-19.1%
Carriage Trade Manor MHP •	x	12874 California St	232.58	60.76	41	-20.7%
		Total/Average/Differential	335.61	42.27		14.4%

Agenda

From: Jennifer Shankland
Sent: Monday, April 20, 2015 8:35 AM
To: Ian Dyer
Cc: Tammy Vaughan
Subject: RE: Biennial Review of the RSO

Ian-

I have read your e-mail pertaining to the biennial review and I would like to make a point of clarification. Park-owned coaches are not governed by the MRSO and the monthly space rents for park owned coaches can be raised to market rents if the park owner so chooses.

Resident owned coaches (resident holds title) are governed by the MRSO.

Jennifer Shankland

CITY OF Yucaipa

Director of General Services/City Clerk
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Yucaipa, CA 92399
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(909) 797-2489, ext. 236
(909) 255-4655 - cell

From: Ian Dyer [mailto:IanDyer@RealEstateAdvisors.com]
Sent: Friday, April 17, 2015 4:00 PM
To: Jennifer Shankland
Subject: Bienniel Review of the RSO

Dear MRCC & Yucaipa City Council,

In the best interests of the City and its residents, the RSO should be amended to allow homesite rents to rise to market when the home on a homesite is park-owned. This benefits the existing residents of the city:

1. **It causes the park owner to be willing to pay more for the home to the existing homeowner than an outside buyer will pay.**
2. **It allows the park owner to bring the homesite rent to market. This gives the park owner more funds to improve the park. It gives the park owner incentive to upgrade the park, in order to attract higher rents from new residents.**
3. **New residents who pay market rents are statistically more likely to be positive, contributing members of the community and less likely to be involved in crime. Over time, this will decrease crime in the mobile home parks and make them better places to live.**

4. THIS POLICY WILL NOT AFFECT EXISTING HOMEOWNERS WHO SELL TO A NEW HOMEOWNER. IN THAT CASE, HOMESITE RENTS WILL NOT RISE.
5. IT DOES NOT AFFECT EXISTING HOMEOWNERS IN ANY NEGATIVE WAY. IT IS A WIN-WIN FOR THE EXISTING HOMEOWNERS AND THE PARK OWNER AND THE CITY.

In the 11 years we've done business in this city, I've seen that there's kind of a knee-jerk reaction against any change to the RSO. The fear, I think, is that any change to the RSO will weaken the RSO. In this case, to the contrary, it will strengthen the RSO, because it will cause the mobilehome parks to be better maintained, without affecting the rents of the homeowners. History shows that rent control in general damages a community. This will fix that to a great extent, without causing rents to rise for the existing residents, plus it will improve the maintenance and upgrades of the mobile home parks.

Sincerely,

Ian Dyer

REAL ESTATE ADVISORS, INC.
Office of the President
Ian Dyer - President

REAL ESTATE ADVISORS INC.

34455 Yucaipa Blvd, Suite 214
Yucaipa, CA 92399 (949) 488-3937 DRE License 01476651

Agenda

CA JURISDICTIONS with Mobilehome Park Rent Stabilization Ordinances

(Revised 2015)

City/County	DATE	# Pks/Spaces	% Increase	*Vacancy Control	**Committee/Board	Adopted by
Alameda County	12/1965	22 / 712	Automatic up to 5%	YES	Board of Supervisors	Ordinance
Azusa	01/1992	6 / 548	8%/75% of CPI	NO	_	Ordinance
Beaumont	10/1984	8 / 459	Established by Hearing	NO	2-2-1	Ordinance
Benicia	09/1978	4 / 317	Established by Hearing	NO	2-2-1	Ordinance
Calistoga	08/1984	5 / 569	Established by Hearing	NO	1-1-3	Ordinance
Camarillo	12/1981	4 / 747	Established by Hearing	NO	1-1-3	Ordinance
Capitola	11/1979 Rpeal'd 8/11	8 / 623	Lesser of 5% or 60% CPI	YES	City Council	Ordinance
Carpinteria	03/1982	7 / 866	75% of CPI	YES	RentStabilization Commission	Ordinance
Carson	08/1979	28 / 2565	Set by Board	YES	2-2-3	Ordinance
Cathedral City	03/1983	10 / 2064	75% of CPI	YES	0-0-5	Initiative
Chino	08/1983	5 / 554	66% of CPI	NO	1-1-3	Ordinance
Cloverdale	08/1986	4 / 165	Set by Board	YES to 10%	0-0-3	Ordinance
Clovis	09/1978	6 / 582	Rent Review Commission	NO	1-1-3	Ordinance
Colton	06/1990	8 / 916	60% of CPI	NO	_	Ordinance
Cotati	11/1979	3 / 106	Set by Board	YES	Arbitration	Ordinance
Daly City	06/1980	1 / 501	Set by Board	NO	1-1-3	Ordinance

Delano	11/1984 Rpeal'd '94	4 / 310	50% of CPI	YES	1-1-3	Initiative
East Palo alto	11/1983	4 / 274	Set by Board	YES	_	Initiative
Escondido	06/1988	30 / 3585	Set by Board	YES	City Council	Initiative
Fairfield	11/1984	9 / 883	Set By Board	NO	1-1-3	Ordinance
Fontana	02/1987	10 / 684	100% CPI	NO	Rent Admin.	Ordinance
Fremont	02/1987	3 / 732	Greater $10 or 70%CPI	YES	Hearing Officer	Ordinance
Fresno	12/1987	30 / 3942	Rent Review Commission	YES	1-1-3	Ordinance
Gardena	04/1987	27 / 1156	Rent Mediation With Arbitration	NO	3-3-3	Ordinance
Gilroy	05/1987	4 / 336	Less of 5% or 80% CPI	NO	NONE	Ordinance
Goleta	06/2002	4/500	75% CPI	10% 1-5 yrs	4-4-0 Meet & Confer Arbitration	Ordinance
Grover Beach	12/1987	3 / 140	Graduated CPI	YES 5%	City App. Mediator	Ordinance
Hawthorne	06/1979	11 / 327	Rent Mediation Board	NO	Rent Board	Ordinance
Hayward	02/1980	16 / 2160	Lesser of 3% or 60%CPI to 8%	NO	NONE	Ordinance
Hemet	05/1979	20 / 2805	Set by Board	NO	1-1-3	Initiative
Hollister	05/1989 Rpeal'd '94	1 / 235	Lesser of 8% or 80% CPI	NO	1-1-3	Ordinance
Indio	03/1984	6 / 528	75% of CPI	NO	Fair Practice Commission	Initiative
Lancaster	03/1985	27 / 2584	Set by Board	YES	1-1-3	Initiative
La_Verne	10/1994	8 / 1762	Lesser of 7% or CPI	No	Rent Admin	Ordinance
Lompoc	12/1983	7 / 654	75% of CPI to 10%	No	2-2-1	Ordinance

LA City	03/1988	62 / 5885	3-8% based on CPI	Lesser of 10% or comp rent in park	Determined by Rent Adj. Comm.	Ordinance
Los Gatos	10/1980	2 /137	100% CPI or 5%	$25 or average	Mediation/ Arbitration	Ordinance
Malibu	12/1991	2 / 527	75% of CPI	To 10%	–	Ordinance
Marina	11/2011	5 / 399	100% CPI	5% every 2 yrs	Rent Admin	Ordinance
Merced	5/1982	3 / 574	Set by hearing	N0	2-2-1	Ordinance
Milpitas	8/1992	3 / 521	50% CPI or 8%	Avg Rent	City Council	Ordinance
Modesto	10/2007	9 / 1400	100% CPI	10% every 5 yrs	Hearing Board	Ordinance
Montclair	11/1985	8 / 620	Lessor of 6% or 6% of CPI	N0	2-2-1	Ordinance
Moreno Valley	7/1987	7 / 809	Lessor of % or 65% CPI	With Limit	Park or Res Committee	Ordinance
Morgan Hill	03/1983	9 / 875	75% CPI	YES	1-1-3	Ordinance
Morro Bay	8/1986 Rev'sd 2004	15 / 641	75% of CPI 125% CPI Non-perm res	10-15% Cap	2-2-3	Ordinance
Napa	12/1983 Rpeal'd '85	22 / 1605	8% cap	–	1-1-5	Ordinance
Oakland	9/1980	3 / 49	Automatic 5%	N0	–	Ordinance
Oceanside	5/1982	20 / 2401	Lesser of 8% or CPI	YES	0-0-5	Ordinance
Oxnard	3/1983 Rev'sd '98	25 / 2780	Lesser of CPI or 4%, see Ordinance	YES 15% avg space rent	Hearg Adm/ RentRev Bd	Ordinance
Pacifica	09/1991	1 / 93	75% of CPI	NO	NONE	Ordinance
Palmdale	10/1985	15 / 1455	CPI or Arb Award	NO	1-1-3	Ordinance
Palm Desert	04/1980	4 / 676	75% of CPI	YES	5 picked	Ordinance
Palm Springs	04/1980	14 / 2242	75% of CPI	YES	0-0-5	Ordinance
Paramount	07/1987	17 / 1228	100% CPI	NO	2-2-0	Ordinance

Petaluma	02/1994	9 / 1006	Lesser of 100% CPI or 6%	NO	Arbitration	Ordinance
Pismo Beach	04/1981	2 / 412	Lesser of 6% or 75% of CPI	YES 10%	City Admin.	Ordinance
Pleasanton	02/1993	4 / 412	Lesser of 100% CPI or 5%	To 25% in 5 years	2-2-1	Ordinance
Pomona	05/1992	19 / 1836	Mediation	NO	Hearing Rent Board	Ordinance
Rancho Mirage	07/1982	6 / 882	75% of CPI	Avg Rent	1-1-5	Initiative
Redlands	12/1982	8 / 684	Lesser of 6-9% or 75% CPI	NO	0-0-3	Ordinance
Rialto	03/1992	12 / 1425	Rent Review Commission	YES	0-0-5	Ordinance
Riverside County	08/1983	124/12376	100% CPI	NO	2-2-1	Ordinance
Rocklin	05/1982	3 / 384	Guaranteed CPI	NO	1 and up	Ordinance
Rohnert Park	12/1987	5 / 1314	75% CPI or 4% cap	YES	5	Initiative
Salinas	10/1990	11 / 1437	75% CPI or 8% cap	NO	Rent Review Board	Ordinance
San Bernardino	09/1984	16 / 1487	Lesser of 4% or 75 % CPI	NO	None	Ordinance
San Francisco	06/1970	1 / 56	4-7% or 60%CPI	YES	_	Ordinance
San Jose	07/1985	70 / 11435	3-7% or 75% of CPI	YES	None	Ordinance
San Juan Capistrano	03/1979	7 / 1209	100% CPI	YES	2-2-1	Ordinance
San Luis Obispo City	06/1988	15 / 1551	100% CPI up to 5%, if higher, .75 of diff.	YES 10% (1x in 3 yrs)	Hearing Officer	Initiative
San Luis Obispo County	06/1988	39 / 2408	60% CPI	YES 10%	3 Rent Review Bd	Initiative
San Marcos	11/1980	17 / 3216	CPI or NOI	With Limit	Rent Review Commission	Ordinance
San Raphael	04/1990	1 / 397	3-7.5% or CPI	YES	None	Ordinance

Santa Barbara City	1984	5 / 232	75% CPI	10% 1-5 yrs	Arbitration	Ordinance
Santa Barbara County	09/1994	19 / 2161	75% CPI	10% 1-5 yrs	Arbitration	Ordinance
Santa Clarita	12/1990	15 / 2070	100% CPI with 6% cap	NO	_	Ordinance
Santa Cruz County	01/1979	36 / 2212	50% of CPI + pass through	YES	Hearing Officer	Ordinance
Santa Monica	04/1979	3 / 283	Set by Board	NO	_	Initiative
Santa Paula	06/1984	9 / 838	Lesser of 7% or 75% of CPI	10% 1-3 yrs	0-0-3	Ordinance
Santa Rosa	2004	14/2008	100% CPI or up to 6%	YES	Arbitration	Ordinance
Scotts Valley	11/1980	5 / 527	75% of CPI	YES	0-0-5	Ordinance
Sebastopol	Revised 08/1992	6 / 173	100% of CPI	NO	Arbitration	Ordinance
Simi Valley	03/1983	6 / 354	Rent Review Commission	NO	_	Ordinance
Sonoma County	06/1987	51 / 3736	100% CPI	YES	Arbitration	Ordinance
Thousand Oaks	07/1980 Rev'sd 2011	8 / 897	Designated 10 Yr Plan – see Ordinance	YES 10-15%	Rent Review Board	Ordinance
Ukiah	02/11 orig10/10	23/1043	100%CPI (cap 5% or less)	YES 10%	Arbitration	Ordinance
Union City	05/1980	3 / 918	90% of CPI or max of 7%	YES	_	Ordinance
Upland	12/1985 Rev'sd 1992	6 / 866	80% CPI or max of 7%	YES	Arbitration	Ordinance
Vacaville	12/1977	12 / 1126	Graduated CPI	NO	0-0-3	Ordinance
Vallejo	02/1982	17 / 1990	5%	NO	1-1-3	Ordinance
Ventura City	06/1981	18 / 1087	Lesser of 7% or 75% CPI	YES to 15%	Rent Review Bd.	Ordinance
Ventura County	02/1983	24 / 1421	Soc. Sec COLA 2%-8%, see Ord.	YES to 15%	0-0-3	Ordinance

Watsonville	03/1989	5 / 717	70% of CPI or 5%	NO	_	Ordinance
West Covina	09/1984	2 / 265	Less of 5-9% or 100% CPI	NO	Human ResourcesComm.	Ordinance
Windsor	08/1992	4-5 / 567	100% CPI cap 6%	NO	Arbitration	Ordinance
Yucaipa	12/1990	42 / 4425	80% CPI 5% cap	Only annual increase allowed	Rent Review Commission	Ordinance

* **Vacancy Control – YES** indicates that there are % or $ limits as to how much rents can be increased at change of ownership of the mobilehome. Some RCO's exclude any increase in inheritance situations; others do not.

** **Comm/Boards** – Refers to who decides whether a rent increase higher than the ordinance permits would be approved, disapproved or modified. Various jurisdictions responded with different types of comments. In a 3 number response, the first # equals how many park owner reps serve on a board or committee, the 2nd # equals how many resident reps and the 3rd # equals people who would "neutral".

Revised by GSMOL: March, 2015