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CC Date: 3-4-25
Item No.: 12

City Council Memorandum

City of Arts & Innovation

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TO: HONORABLE MAYOR AND CITY COUNCIL DATE: MARCH 4, 2025

FROM: HOUSING AND HUMAN SERVICES WARDS: ALL

SUBJECT: PROPOSED AMENDMENT TO THE MOBILE HOME PARKS RENT STABILIZATION ORDINANCE

ISSUE:

Adopt an ordinance to amend Riverside Municipal Code Chapter 5.75 - Mobile Home Parks Rent Stabilization Ordinance.

RECOMMENDATION:

That the City Council adopt the recommended proposed amendment to the Mobile Home Parks Rent Stabilization Ordinance.

BACKGROUND:

A significant portion of mobile homeowners or tenants in the City are senior citizens, who live on limited or fixed incomes. City Council wanted to provide a mechanism to prevent excessive, unreasonable and frequent rent increases while at the same time recognizing the need of mobile home park owners to receive a just and reasonable return on their investment.

On August 25, 1992, City Council amended Section 5 of the Riverside Municipal Code (RMC) to add Chapter 5.75, establishing a rent stabilization procedure for mobile home park that allowed annual rent increases for the following.

- Up to 80% of the change in the Consumer Price Index (CPI) for the year ending in August
- Changes in property taxes or government mandated costs in excess of 2% per year
- Capital improvements to existing facilities
- Increases in state fees
- Rent increases associated with sale of a space

On September 15, 2020, the City Council adopted an amendment to the Riverside Municipal Code Section 5.75.040 to change the Consumer Price Index region data from Los Angeles-Anaheim-Riverside to Riverside-San Bernardino-Ontario and change the CPI year ending from August to July since the U.S. Bureau of Labor Statistics does not produce data in July for the Riverside-San Bernadino-Ontario region.

The following table shows prior annual rental increases based on 80% of the CPI.

Mobile Home Parks Annual Rent Increase			
Year	CPI Index	Maximum Rent Increase	CPI Source
2011	2.40%	1.92%	Los Angeles–Anaheim-Riverside
2012	2.40%	1.92%	
2013	2.30%	1.84%	
2014	0.80%	0.64%	
2015	1.80%	1.44%	
2016	1.10%	0.88%	
2017	1.40%	1.12%	
2018	2.80%	2.24%	
2019	3.90%	3.12%	
2020	2.60%	2.08%	Riverside-San Bernardino-Ontario
2021	1.70%	1.36%	
2022	6.50%	5.20%	
2023	9.20%	7.36%	
2024	3.40%	2.72%	

From 2011 to 2024, the average rent increase is 2.42%. The lowest mobile home parks rent increase was 0.64% and the highest rent increase was 7.36%.

In 2019, staff was directed to conduct a review of the entire Mobile Home Parks Rent Stabilization Ordinance (Ordinance) that was adopted in 1992. Staff worked with the City Attorney's office to review the current Ordinance and 91 cities and 10 counties mobile home park rent stabilization procedures. Staff identified sections within the Ordinance that could be improved and met with the Western Manufactured Housing Communities Associations (WMA) to discuss the current ordinance and sections that required further clarification. Staff was in the process of scheduling a series of meetings with the WMA, local mobile home park owners, and park residents to review the Ordinance, but these meetings were placed on hold due to the Coronavirus pandemic.

During the 2022 Ordinance annual public hearing, when the maximum rent increase for 2023 was announced at 7.36%, the highest rent increase experienced under the Ordinance, City Council directed staff to research capping rent increases and to work with mobile home park owners and residents through community outreach and present recommended amendments to the Ordinance to the Housing and Homelessness Committee for discussion.

Staff rereviewed the proposed amendments to the Ordinance with the City Attorney's Office. The proposed amendments to the Ordinance were then shared with the park residents in June 2024 and with the WMA and local mobile home park owners in July 2024 to solicit feedback.

The Housing and Homelessness Committee met on September 23, 2024, with Chair Cervantes, Vice Chair Mill, and Member Robillard present, to consider the proposed amendments to the Mobile Home Rent Stabilization Ordinance. After discussion the Committee moved that staff forward the proposed ordinance to City Council for consideration amending the Riverside Municipal Code as referenced in the staff report including: (1) Add new or change definitions; (2) Tenant Notification Requirements; (3) Annual Registration; (4) Retaliation Prohibited; (5) Rent Cap - establish a minimum and maximum rent increase of 2% and cap of 5%; (6) Rent following the Expiration of an Exempt Lease; (7) Rent Increases Upon In-Place Transfer - eliminate section from proposed ordinance; (8) Frequency of Rental Increases; and (9) Utilities and Related Services - eliminate section from proposed ordinance. The motion carried unanimously with Vice Chair Mill and member Robillard voting Aye, with the exception of Chair Cervantes voting no on

recommendations 5, 7, and 9 as listed above.

The following proposed amendments were introduced to City Council for discussion and consideration on February 4, 2025.

Action Item No.	Proposed Amendment	Ordinance Section
1	Adding and revising definitions	5.75.030 Definitions
2	<p>Adding requirements for tenant notifications under the ordinance</p> <p>a. Forty-eight hours prior to any rental agreement in excess of 12 months being executed by a current mobile home owner or prospective mobile home owner, the mobile home park owner must:</p> <ul style="list-style-type: none"> i. Offer the option of a 12 month or less rental agreement to receive the benefits of the Mobile Home Parks Rent Stabilization Program (MHRSP). ii. Provide a City Informational Sheet to residents that give tenants an overview of the MHRSP, its benefits, and contact information of the Administrator. iii. Provide in writing that if a rental agreement with a term of more than 12 months is signed, the rental agreement is not subject to the MHRSP. iv. At the time the rental agreement is first offered to the mobile home owner or prospective mobile home owner, they should have at least 30 days to inspect the Rental Agreement, and void the Rental Agreement by notifying the MH Park Owner in writing within 72 hours of the acceptance of a Rental Agreement. v. MHRSP should be posted in the office of every mobile home park and in the recreation building or clubhouse of every mobile home park. 	a. i. – iv in Section 5.75.040 Ordinance Notification
3	<p>Adding annual registration requirements for park owners due annually on June 1st.</p> <ul style="list-style-type: none"> a. Mobile Home Parks contact information b. Identify number of park spaces and total number participating in the MHRSP c. Provide rent schedule 	Section 5.75.060 Annual Registration

	<ul style="list-style-type: none"> d. Listing of other charges including utilities not included in the space rent e. Notice of sale of park f. Notice to prospective park purchasers that include a copy of the Ordinance and notice that the following would be a prerequisite to filling a rent increase application pursuant to the Ordinance: <ul style="list-style-type: none"> i. A statement of the base year income, expenses, and net operating income of the Park with a breakdown of income and expenses by category. ii. Documents supporting the amounts reported in the income and expense statement. 	
4	Prohibiting retaliation for tenants participating in the Mobile Home Parks Rent Stabilization Program.	5.75.080 Retaliation Prohibited
5	The annual rent may be increased by an amount over the existing annual rent by an amount which does not exceed eighty percent (80%) of the percentage increase in the CPI for the twelve-month period ending July 31st of the prior year provided, however, that the annual automatic increase shall be no more than five percent (5%) of the base rent and may be at least two percent (2%) of the base rent charged prior to the increase.	5.75.100 Automatic Annual Rental Increases
6	Rent following the expiration of an exempt lease: A mobile home space that was previously exempt under a lease pursuant to Civil Code Section 798.17, upon the expiration of that lease and conversion to a less than 12-month lease, the Base Space Rent, for the purposes of calculating the annual adjustment, shall be the rent in effect as of the date of expiration of the lease.	5.75.110 Rent Following the Expiration of an Exempt Lease
8	<p>Limiting the frequency of rental increases</p> <ul style="list-style-type: none"> a. To not more than once per calendar year <p>Proposed rental increases resulting from an unseen assessment, special tax or general tax increase shall be submitted to the Rent Review</p>	5.75.120 Limitation on frequency of rental increase.

DISCUSSION:

On February 4, 2025, an Ordinance entitled, "An Ordinance of the City of Riverside, California, Amending and Restating Chapter 5.75 of the Riverside Municipal Code in its entirety regarding Mobile Home Parks Stabilization Procedures," was presented and introduced.

Following discussion, it was moved by Councilmember Robillard and seconded by Councilmember Conder to introduce an ordinance amending Riverside Municipal Code Chapter 5.75 - Mobile Home Parks Rent Stabilization Ordinance that include the recommendations made by Housing and Homelessness Committee with amendments as follows:

(1) Section 5.75.030 Definitions subdivisions:

C. "Base Year" replacing "in which a new Rental Agreement is executed" with "1991" to read: "Base Year" means the calendar year 1991."

I. "Mobile Home Owner" replacing "dwelling units" with "Space"

J. "Mobile Home Park" replacing "sites" with "Spaces"

M. "Rent" replacing "rental unit" with "Mobile Home Space" and adding "6. Late fees and returned check fees."

P. "Rental Agreement" replacing "rental unit" with "Mobile Home Space".;

(2) Section 5.75.060 (B) Annual Registration - Contents of Registration Form to read: "The registration forms shall include park name, the name(s), business address(es), and business telephone number(s) of Mobile Home Park Owner representative or principal and onsite manager; the name(s) and address(es) to which all required notices and correspondence may be sent."

(3) Section 5.75.060 (E) deleted entirely.

(4) Section 5.75.080. "Retaliation Prohibited" replacing "rental unit" with "Mobile Home Space".

(5) Section 5.75.100 "Automatic Annual Rental Increases" changing the annual automatic increase from 5% to 4% of the base rent in first sentence to read: "[...] that the annual automatic increase shall be no more than four percent (4%) of the base rent and may be at least two percent (2%) of the base rent charged prior to the increase."

(6) Section 5.75.100 (B) inserting "pre-existing" before "Capital Improvement" in first sentence to read: "A rental increase resulting from a pre-existing Capital Improvement constructed..."

(7) Section 5.75.130 "Rent Increase Procedures" Subdivision A.1 replacing "based on" with "resulting from" and adding "new" before "Capital Improvement" to read "An application for a Rent Increase Review for a Rent Increase resulting from the cost of a new Capital Improvement constructed..."

Following further discussion, the original motion by Councilmember Robillard and seconded by Councilmember Conder carried with Councilmembers Falcone, Robillard, Conder, Mill, Perry, and Hemenway voting aye, and Councilmember Cervantes voting no.

Staff is requesting for the City Council to formally adopt an ordinance to amend Riverside Municipal Code Chapter 5.75 - Mobile Home Parks Rent Stabilization Ordinance.

STRATEGIC PLAN ALIGNMENT:

This item contributes to Riverside’s Envision Strategic Priority 2: Community Well-Being and Goal No. 2.2: Collaborate with partner agencies to improve household resiliency and reduce the incident and duration of homelessness.

FISCAL IMPACT:

There is no fiscal impact related to this staff report.

Prepared by:	Agripina Neubauer, Project Manager
Approved by:	Michelle Davis, Housing and Human Services Director
Certified as to availability of funds:	Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by:	Kris Martinez, Assistant City Manager
Approved as to form:	Jack Liu, Interim City Attorney

Attachment:

1. Mobile Home Parks Rent Stabilization Ordinance