



City Council Memorandum

City of Arts & Innovation

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

FROM: HOUSING AND HUMAN SERVICES WARDS: ALL

SUBJECT: INTRODUCTION OF AN ORDINANCE TO AMEND RIVERSIDE MUNICIPAL
CHAPTER 5.75 - MOBILE HOME PARKS RENT STABILIZATION PROCEDURES

ISSUE:

Introduce and subsequently adopt an ordinance to amend Riverside Municipal Code Chapter 5.75 - Mobile Home Parks Rent Stabilization Ordinance as recommended by the Housing and Homelessness Committee.

RECOMMENDATION:

That the City Council introduce and subsequently adopt an ordinance to amend Riverside Municipal Code Chapter 5.75 - Mobile Home Parks Rent Stabilization Ordinance that include the recommendations made by Housing and Homelessness Committee.

COMMITTEE RECOMMENDATION:

The Housing and Homelessness Committee (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 Parks Rent Stabilization Ordinance. Following discussion, the Committee moved to receive and file the proposed amendments to the Riverside Municipal Code (RMC) Chapter 5.75, the Mobile Home Parks Rent Stabilization Procedures, and direct staff to forward the proposed ordinance to the City Council for consideration amending RMC as referenced in the staff report including: that staff present the proposed ordinance to City Council (CC) to consider amending the Riverside Municipal Code as referenced in the staff report including: (1) Adding new definitions and changing existing 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.

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 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 RMC 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.

DISCUSSION:

Based on the research conducted and feedback received from the WMA, local mobile home park owners and residents, the following changes to the Ordinance were proposed by staff and the following recommendations were made by the Housing and Homelessness Committee on September 23, 2024.

Action Item No.	Proposed Amendment	Ordinance Section	Committee Recommendation
1	Adding and revising definitions	5.75.030 Definitions	Approved and forward to CC for consideration
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> <p>i. Offer the option of a 12 month or less rental agreement to receive the benefits of the Mobile Home Parks Rent Stabilization Program (MHPRSP).</p> <p>ii. Provide a City Informational Sheet to residents that give tenants an overview of the MHPRSP, its benefits, and contact information of the Administrator.</p> <p>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 MHPRSP.</p> <p>iv. At the time the rental agreement is first offered to the mobile home owner or prospective mobile home</p>	a. i. – iv in Section 5.75.040 Ordinance Notification	Approved and forward to CC for consideration

	<p>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.</p> <p>v. MHPRSP should be posted in the office of every mobile home park and in the recreation building or clubhouse of every mobile home park.</p>	v. Section 5.75.050 Information Supplied to Tenants	
Action Item No.	Proposed Amendment	Ordinance Section	Committee Recommendation
3	<p>Adding annual registration requirements for park owners due annually on June 1st.</p> <p>a. Mobile Home Parks contact information</p> <p>b. Identify number of park spaces and total number participating in the MHPRSP</p> <p>c. Provide rent schedule</p> <p>d. Listing of other charges including utilities not included in the space rent</p> <p>e. Notice of sale of park</p> <p>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:</p> <p>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.</p> <p>ii. Documents supporting the amounts reported in the income and expense statement.</p>	Section 5.75.060 Annual Registration	Approved and forward to CC for consideration
4	Prohibiting retaliation for tenants participating in the Mobile Home Parks Rent Stabilization Program.	5.75.080 Retaliation Prohibited	Approved and forward to CC for consideration

Action Item No.	Proposed Amendment	Ordinance Section	Committee Recommendation
5	<p>Placing a cap on annual rent increases to the lesser of 80% of the CPI or 3% of the base rent charged prior to the increase. The percentage amount of said increase shall be rounded to the nearest one-quarter of one percent.</p> <p>a. This percentage was derived from using the average rent increase from 2011 to 2024, which was 2.42% and rounding up to 3%.</p> <p>NEW RECOMMENDATION: Establish a minimum of 2% and maximum rent increase of 5%.</p>	5.75.100 Automatic Annual Rental Increases	Approved and forward the new recommendation to CC for consideration
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	Approved and forward to CC for consideration
7	<p>Rent increases upon in-place transfer</p> <p>a. No rent increase may be imposed where the title to the mobile home passes to one or more person(s) who at the time of title transfer were/are parents, siblings, children, nieces, or nephews of the mobile homeowner and the mobile home remains in the same space</p> <p>b. No increase may be imposed if an increase was imposed pursuant to the Ordinance within the 24-month preceding the most recent transaction that would justify the increase pursuant to this new section</p>		Not approved
8	<p>Limiting the frequency of rental increases</p> <p>a. To not more than once per calendar year</p> <p>b. 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.	Approved and forward to CC for consideration

Action Item No.	Proposed Amendment	Ordinance Section	Committee Recommendation
9	Clarifying procedures for collecting utility and capital improvement fees and other increases in rents.		Not approved

Staff is requesting City Council to introduce and subsequently adopt an ordinance to amend Riverside Municipal Code Chapter 5.75 - Mobile Home Parks Rent Stabilization Ordinance (Attachment 1) that include the recommendations made by Housing and Homelessness Committee.

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 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

Concurs with;



Clarissa Cervantes, Chair
 Housing and Homelessness Committee

Attachments:

1. Proposed Mobile Home Parks Rent Stabilization Ordinance
2. Presentation