



City of Arts & Innovation

# City Council Memorandum

**TO: HONORABLE MAYOR AND CITY COUNCIL      DATE: SEPTEMBER 17, 2024**

**FROM: HOUSING AND HUMAN SERVICES      WARDS: ALL**

**SUBJECT: MOBILE HOME PARKS RENT STABILIZATION ORDINANCE ANNUAL PUBLIC HEARING**

**ISSUE:**

Conduct a public hearing pursuant to Section 5.75.080 of the Riverside Municipal Code relative to activities associated with the Mobile Home Parks Rent Stabilization Ordinance over the preceding 12-month period from September 1, 2023 through August 31, 2024.

**RECOMMENDATIONS:**

That the City Council:

1. Conduct a public hearing as required by Section 5.75.080 of the Riverside Municipal Code for the Mobile Home Parks Rent Stabilization Ordinance;
2. Direct staff to notify mobile home park owners and tenant representatives on record of the maximum allowable rent increase for calendar year 2024 is 2.7% pursuant to the Section 5.75.040 of the Riverside Municipal Code; and
3. Receive a report on all activities that have taken place relative to the Mobile Home Parks Rent Stabilization Ordinance for the 2022 report from September 1, 2022 through August 31, 2023.

**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 parks. 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 month from August to July as the August data is not available for the Riverside-San Bernardino-Ontario region.

Under the current Ordinance, mobile home park rent increases are allowed for certain items, provided that they meet the defined criteria. Specifically, Section 5.75.040 of the RMC allows annual increases in rent each calendar year for the following:

- Up to 80% of the change in the CPI for the year ending July 31, 2021

- 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

Section 5.75 of the Riverside Municipal Code (RMC) requires that a public hearing be conducted every year during the month of September and an annual report be made by the City Manager regarding all activity with respect to the Mobile Home Parks Rent Stabilization Ordinance (Ordinance) during the preceding 12-month period.

In 2019, staff was directed to conduct a comprehensive review of the entire Mobile Home Parks Rent Stabilization Procedure that was adopted in 1992. Staff worked with the City Attorney's office to review the current Ordinance and other city and county mobile home park rent stabilization procedures. Staff identified sections within the Ordinance and other city and county 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 also 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.

## **DISCUSSION:**

This report reviews all activities that have taken place relative to the Ordinance during the reporting period of September 1, 2022 through August 31, 2023.

### **Mobile Home Courtesy Review Program**

The purpose of the Mobile Home Courtesy Review Program is to provide the Mobile Home Rent Review Hearing Board and any other interested parties with a photographic history of the appearance of the park's streets over time. Under RMC section 7.55.055, that board is comprised of three City employees designated by the City Manager.

On September 21, 2021, letters were mailed out to 15 mobile home park owners requesting authorization to take photos of the streets within their parks. Responses were due back by October 22, 2021. The City received only one returned signed authorization form.

### **Disclosure Requirement - RMC MC 5.75.027**

California law requires every mobile home park owner to provide each tenant-to-be with a written notification within two business days of receiving a request for an application for residency titled "Information for Prospective Homeowners," which includes a statement that advises that signing a long-term lease (more than one year) will remove that rental space from the local rent control ordinance. California law also requires mobile home park owners to include in each rental agreement a printed copy of the Mobile Home Residency Law (Civil Code Chapter 2.5, Sections 798-799.10).

On December 6, 2011, the City Council amended Chapter 5.75 of the RMC to include a disclosure requirement for prospective tenants that a rental agreement of a term of more than one year is not subject to City rent stabilization. Property owners are to be notified on an annual basis of their notice obligations under state law and RMC 5.75.027. This new regulation was mailed to all mobile

home park owners in the City in 2012 and is reiterated in the maximum allowable rent increase letters that are mailed out annually.

In the event the City is notified by prospective or existing tenants that proper State law notice is not being provided, the Office of Homeless Solutions (OHS) will notify the California Department of Housing and Community Development. Similarly, in the event the City is notified by prospective or existing tenants that there is a failure to follow the notice requirements in the RMC, the OHS will work with the City Attorney's Office for appropriate action.

In addition to the above activities, OHS - Housing Authority staff have been available during the current reporting period to answer questions from mobile home park tenants regarding the Consumer Price Index for all Urban Consumers (CPI) as it relates to the maximum rent increases and to provide interpretations of the RMC relative to the Ordinance.

Mobile Home Parks Rent Stabilization Ordinance

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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%                 |                                  |

The CPI for the 12-month period ending July 31, 2023 is 3.40%. Therefore, the maximum rent increase associated with the CPI in calendar year 2023 is 2.72% (80% of the CPI).

City staff reviewed mobile home park rent stabilization ordinances and procedures from other cities and counties throughout California in drafting the proposed amendments to the Ordinance.

City staff held meetings with the WMA, local mobile home park owners, and park residents to review the Draft Ordinance and solicit comments in June and July 2024. Staff's final recommendations will be presented to the Housing & Homelessness Committee for discussion.

**STRATEGIC PLAN ALIGNMENT:**

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

The item aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust** – Conducting a public annual report and holding a community meeting provides transparency to the rent stabilization process which impacts predominately older and income restricted tenants.
2. **Equity** – Public outreach and an annual report allows for equitable public participation in the process.
3. **Fiscal Responsibility** – The Mobile Home Parks Rent Stabilization Ordinance is based on a clear process, using best available data, and the community input to ensure that decisions are fair to both park owners and residents.
4. **Innovation** – Riverside will continue to review the Mobile Home Rent Stabilization Ordinance to reflect current best practices and the concerns of both owners and residents of Riverside mobile home parks.
5. **Sustainability & Resiliency** – The Mobile Home Parks Rent Stabilization Program will ensure housing stability for older and income restricted residents in Riverside using a clear and dynamic process of decision making and program management.

**FISCAL IMPACT:**

There is no fiscal impact associated with this report.

Prepared by: Michelle Davis, Housing Authority Manager  
Certified as to availability of funds: Kristie Thomas, Finance Director/ Assistant Chief Financial Officer  
Approved by: Edward Enriquez, Interim Assistant City Manager/Chief Financial/City Treasurer  
Approved as to form: Phaedra A. Norton, City Attorney

Attachments:

1. Presentation
2. Public Hearing Notice