



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: SEPTEMBER 26, 2017

FROM: COMMUNITY & ECONOMIC DEVELOPMENT WARDS: ALL
DEPARTMENT

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 (RMC), relative to activities associated with the Mobile Home Parks Rent Stabilization Ordinance over the preceding 12-month period from September 1, 2016 through August 31, 2017.

RECOMMENDATIONS:

That the City Council:

1. Conduct the public hearing as required by Section 5.75.080 of the RMC;
2. Direct staff to notify mobile home park owners and tenants representatives on record of the maximum allowable rent increase that will be in effect in calendar year 2016 according to Section 5.75.040 of the RMC, upon receipt of the appropriate Consumer Price Index data for August 2016; and
3. Receive a report on all activities that have taken place relative to the Mobile Home Parks Rent Stabilization Ordinance for the 2016 reporting from September 1, 2016 through August 31, 2017.

LEGISLATIVE HISTORY:

Section 5. 75. 080 of the RMC requires that each September a public hearing be conducted and an annual report be made by the City Manager regarding any activity with respect to the Mobile Home Parks Rent Stabilization Ordinance (Ordinance) during the preceding 12 -month period. This report will review all activities that have taken place relative to the Ordinance during the reporting period of September 1, 2016 through August 31, 2017.

DISCUSSION:

This report reviews all activities that have taken place relative to the Ordinance during the reporting period of September 1, 2016 through August 31, 2017.

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 parks streets over time. On August 26, 2016, 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 September 23, 2016. The City did not receive any authorization forms from any of the mobile home park owners and representatives.

On August 29, 2017, letters were mailed out to 15 mobile home park owners requesting authorization to take photos of the streets within their parks. As the response are not due back by September 28, 2017, staff will announce how many authorization forms have been received during the public hearing.

Disclosure Requirement — RMC 5.75.027

California law currently requires mobile home park owners to provide a specific written notification to prospective tenants of a mobile home park space. In particular, state law requires that within two business days of receiving a request from a prospective homeowner for an application for residency for a specific space within a mobile home park, and provided the management knows that the space is available, the manager is required to give the prospective homeowner a notice 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 Community & Economic Development Department 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 Community & Economic Development Department will work with the City Attorney's Office for appropriate action.

In addition to the above activities, Community & Economic Development Department (CEDD) — 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. The City has been contacted by several concerned tenants of the King Arthurs Mobile Home Park regarding their property management trying to convince tenants to sign five year leases without being informed that by signing a five-year lease, the tenants would

no longer be subject to the City's rent stabilization. The City reached out to Fair Housing Council of Riverside County to investigate this matter.

CEDD staff and Fair Housing Council of Riverside County are in the process of scheduling an information workshop with King Arthur Mobile Home Park tenants to inform them of their rights under the Section 5.75.080 of the Riverside Municipal Code (RMC). CEDD staff is also working with marketing staff to create an informational flyer that will be shared with every mobile home resident to help them make informed decisions when signing new leases.

Mobile Home Parks Rent Stabilization Ordinance

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 August 31, 2017
- 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

Below is a table that shows prior annual rental increases based on the 80% of the CPI for the twelve-month period ending August 31st.

Mobile Home Parks Annual Rental Increase		
Year	CPI Index	Maximum Rent Increase
2004	3.30%	2.60%
2005	3.30%	2.60%
2006	5.20%	4.16%
2007	4.30%	3%
2008	2.60%	2.08%
2009	5.10%	4.10%
2010	0.80%	0.64%
2011	2.40%	1.92%
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%

At the time of preparing this report, the Federal Bureau of Labor Statistics had yet to release the CPI data for August 2017; therefore, staff will announce the CPI data for August 2017 on September 26, 2017.

FISCAL IMPACT:

There is no fiscal impact to the City.

Prepared by: Rafael Guzman, Community & Economic Development Director
 Certified as to
 availability of funds: Adam Raymond, Chief Financial Officer/City Treasurer
 Approved by: Al Zelinka, FAICP, Assistant City Manager
 Approved as to form: Gary G. Geuss, City Attorney

Attachment: Presentation