



# City Council Memorandum

*City of Arts & Innovation*

**TO: HONORABLE MAYOR AND CITY COUNCIL      DATE: SEPTEMBER 15, 2020**

**FROM: OFFICE OF HOMELESS SOLUTIONS      WARDS: ALL**

**SUBJECT: MOBILE HOME PARKS RENT STABILIZATION ORDINANCE ANNUAL  
PUBLIC HEARING AND INTRODUCTION OF AN ORDINANCE TO AMEND THE  
RIVERSIDE MUNICIPAL CODE SECTION 5.75.040 TO CHANGE THE  
CONSUMER PRICE INDEX MONTH FROM AUGUST TO JULY**

## **ISSUES:**

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, 2019 through August 31, 2020 and introduce an ordinance to amend the Riverside Municipal Code Section 5.75.040 to change the Consumer Price Index month from August to July.

## **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 use the July 2020 Consumer Price Index for All Urban Consumers for Riverside-San Bernardino-Ontario to calculate the allowable rent increase for 2021 and notify mobile home park owners and tenant representatives on record of the maximum allowable rent increase for calendar year is 1.36% pursuant to the Section 5.75.040 of the Riverside Municipal Code;
3. Introduce and subsequently adopt an ordinance to amend 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; and
4. Receive a report on all activities that have taken place relative to the Mobile Home Parks Rent Stabilization Ordinance for the 2019 reporting from September 1, 2019 through August 31, 2020.

## **BACKGROUND:**

Section 5. 75. 080 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 any activity with respect to the Mobile Home Parks Rent Stabilization Ordinance (Ordinance) during the preceding 12-month period.

## **DISCUSSION:**

This report reviews all activities that have taken place relative to the Ordinance during the reporting period of September 1, 2019 through August 31, 2020.

### **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. Under RMC section 7.55.055, that board is comprised of three City employees designated by the City Manager.

On September 3, 2019, letters were mailed out to 18 mobile home park owners requesting authorization to take photos of the streets within their parks. Responses were due back by September 20, 2019. The City did not receive any returned signed authorization forms.

### **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.

In 2018, City Council directed staff to replace the Consumer Price Index data being used to calculate allowable annual rent increases from Los Angeles-Anaheim-Riverside to Riverside-San Bernardino-Ontario, which was completed by the City Attorney's Office. Staff was also directed to conduct a review of the entire Mobile Home Parks Rent Stabilization Procedure that was adopted in 1992.

Staff worked with the City Attorney's to review the current Ordinance and other cities and counties mobile home park rent stabilization procedures. Staff identified sections within the Ordinance that could be improved upon. Staff 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. A majority of the park residents are seniors, which is why in-person meetings are so critical. Once it is safe to hold in-person meetings, staff will schedule meetings with the WMA, local mobile home park owners, and park residents to discuss the current Ordinance and any revisions.

#### Mobilehome Residency Law Protection (MRLP) Act Assembly Bill (AB) 3066

Beginning July 1, 2020, any homeowner with a tenancy in a Mobilehome Park under a rental agreement may submit a complaint for an alleged violation of the MRLP Act to the Department of Housing and Community Development. The Department will provide assistance to help resolve and coordinate resolution of such complaints. Mobile home parks will be required to provide specific information to the department within 15 business days from the post mark date or electronic transmission of a request for that information and require the imposition of noncompliance citation of \$250 for each failure to comply.

Beginning January 1, 2019, and each subsequent year thereafter, each park is be assessed a fee of ten dollars (\$10) per permitted lot by the Department of Housing and Community (HCD) Development. The fee is added to the annual operating permit fee imposed under the Mobilehome Parks Act. The park owner may, within 90 days from payment of the permit to operate, invoice the tenant for the MRLP Act fee (only to individual homeowners under mobilehome tenancies). The fee may be collected in part or in whole at the time rent is due; however, management is not allowed to pass on the fee in the form of a rent increase.

On January 1, 2023, HCD will be required to submit a written report to the Legislature outlining data collected from the program and make that report available on its Internet Web site. The bill would also require the department to additionally report certain information to a task force convened pursuant to specified law to provide input to the department on the conduct and operation of a certain mobilehome park maintenance inspection program.

The MRLP Act sunsets in 2024.

#### 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, 2020
  - Staff is requesting to change the CPI month from August to July as the Riverside-San Bernardino-Ontario data is produced every other month, which does not include 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

The following table shows prior annual rental increases based on the 80% of the CPI for the twelve-month period ending August 31<sup>st</sup> with the exception of calendar year 2020 that used July as data was not available for twelve-month period ending of August 31<sup>st</sup>.

Mobile Home Parks Annual Rental Increase			
Year	CPI Index	Maximum Rent Increase	CPI SOURCE
2010	0.80%	0.64%	Los Angeles-Anaheim-Riverside
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%	
2018	2.80%	2.24%	
2019	3.90%	3.12%	
2020	2.60%	2.08%	Riverside-San Bernardino-Ontario

If staff is authorized to use the July CPI data, the CPI for the 12-month period ending July 31, 2020 is 1.7% and the maximum allowable rent increase in calendar year 2021 is 1.36%

### **FISCAL IMPACT:**

There is no fiscal impact associated with this report.

Prepared by:	Michelle Davis, Housing Authority Manager
Certified as to availability of funds:	Edward Enriquez, Chief Financial Officer/City Treasurer
Approved by:	Moises Lopez, Deputy City Manager
Approved as to form:	Gary G. Geuss, City Attorney

Attachments:

1. Presentation
2. Public Hearing Notice