



**MEMORANDUM**

CSFRA, Community Development Department

**DATE:** June 1, 2020

**TO:** Rental Housing Committee

**FROM:** Karen M. Tiedemann, Special Counsel  
Anky van Deursen, Program Manager

**SUBJECT:** Mobile Home Parks Rent Stabilization

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**RECOMMENDATION**

At the request of the Chair of the Rental Housing Committee, to deliberate whether the Rental Housing Committee would like to reconsider its prior action determining that mobile homes and mobile home spaces are not covered by the Community Stabilization and Fair Rent Act.

**BACKGROUND**

In November 2016, the voters approved the Community Stabilization and Fair Rent Act (CSFRA) as a Charter amendment, which went into effect December 23, 2016. The CSFRA enacted stabilization of rents to multi-family residential rental units constructed prior to 1995 and just-cause termination protections for multi-family units constructed prior to the effective date of the CSFRA on December 23, 2016.

The CSFRA does not specifically identify mobile homes as a residential structure subject to the CSFRA but also does not specifically exempt mobile homes. In 2018, the Rental Housing Committee (RHC) adopted Resolution 11, finding that the CSFRA did not apply to mobile homes. A lawsuit ensued, and the RHC decision was upheld in court as a valid exercise of the RHC discretion to interpret the CSFRA. This means that the City of Mountain View currently does not regulate rent increases for mobile homes. Mobile home residents are appealing the court's decision.

On November 12, 2019, the City Council approved a ballot measure amending the CSFRA, including an express exclusion of mobile homes and spaces or lots for mobile homes from coverage under the CSFRA. These proposed changes of the CSFRA were submitted to the voters in March 2020 and were not approved. Separately, the City

Council decided to explore a rent stabilization ordinance for mobile homes outside of the CSFRA.

On January 28, 2020, the City Council held a Study Session to begin the process of exploring a separate ordinance for a mobile home rent stabilization program. The memorandum for this Study Session (Attachment 1) provides an overview of the California Mobilehome Residency Law and rent-stabilization programs in other California jurisdictions and policy options for a separate ordinance. In the Study Session, the City Council provided initial input and direction to staff to continue to research this topic and organize outreach meetings for stakeholders.

Staff organized stakeholder meetings for both mobile home residents and park owners on February 11, February 13, and February 18, 2020, respectively. A summary of the discussions in these meetings is attached as Attachment 2. As a follow-up, CSFRA staff distributed surveys to both residents and park owners to collect detailed information and data about rents in mobile home parks in the City of Mountain View in order to assist the City in considering policies with regard to mobile home parks and mobile home park tenancies. The surveys received are currently being analyzed.

At the request of the Chair of the RHC, potential coverage of mobile home parks under the CSFRA is agendaized to deliberate whether the RHC wants to reconsider its prior determination that mobile homes are not covered under the CSFRA.

## **ANALYSIS**

The CSFRA does not expressly regulate mobile home parks but also does not specifically exempt mobile homes. Staff reviewed how the CSFRA could be applied to residents of mobile home parks. In particular, the analysis is twofold in that mobile home residents: (1) own their mobile home and rent a space or lot for the mobile home (“rental of mobile home space”); or (2) rent the mobile home and rent a space for the mobile home (“rental of mobile home”). Staff also reviewed the state Mobilehome Residency Law (Civil Code Sections 798, *et seq.*) (the “MRL”), which regulates the relationship between mobile home park owners and residents, including rental agreements for spaces in mobile home parks, park rules and regulations, and transfers of mobile homes. Any local regulation that conflicts with the MRL would be preempted and, thus, have no effect.

### **Covered Rental Units Under the CSFRA**

The CSFRA defines a Rental Unit as: “Any building, structure, or part thereof, or land appurtenant thereto, or any other rental property rented or offered for rent for residential purposes, together with all Housing Services connected with use or occupancy of such

property, such as common areas and recreational facilities held out for use by the Tenant.” (CSFRA Section 1702(s))

The definition of “Rental Unit” in the CSFRA is broad enough to include mobile home spaces and mobile homes. A resident who rents a space for a mobile home would be considered to rent “other rental property rented or offered for residential purposes.” Likewise, tenants who rent a mobile home are renting both the “structure” and “the land appurtenant thereto...for residential purposes.”

The CSFRA further defines “Covered Rental Units” as all Rental Units not specifically exempted by the CSFRA (CSFRA Section 1702(d)). The exemptions listed in the CSFRA in Sections 1703 and 1704 include:

- Units in hotels, motels, and rooming houses rented primarily to transient guests;
- Units in hospitals, convents and monasteries, and medical care facilities;
- Units owned and operated by a nonprofit organization pursuant to a tax credit program;
- Units that are government-subsidized;
- Units that first received a Certificate of Occupancy after the effective date of the CSFRA;
- Single-family homes and condominiums;
- Companion units; and
- Units in a structure with fewer than three dwelling units.

Mobile homes are not included in any of the exemptions. Based on the definition of Rental Units and the limited exemptions from the definitions set out in the CSFRA, there is support for an interpretation of the CSFRA that the rental of mobile home spaces is covered by the CSFRA. Coverage of the rental of mobile homes is not as clear, but given the ambiguities in both State law and the CSFRA, it would be reasonable for the RHC to conclude the rental of mobile homes is covered or not covered. In other words, the RHC can make a determination whether the mobile homes are Covered Rental Units under the CSFRA.

The definitions in the CSFRA are broad enough to cover the rental of both mobile home spaces and mobile homes. In addition, the CSFRA is not incompatible with the MRL to such an extent that it precludes regulation of the rental of mobile home spaces and mobile homes. However, the existing conflicts between the MRL and the CSFRA will need to be addressed through regulations for mobile home parks. One of the major goals of such regulations would be to address the ambiguities in the CSFRA. If the RHC were to reconsider its prior decision on mobile homes, the next step would be for staff to prepare an agenda item outlining areas of potential regulations for further consideration and discussion by the RHC and, based on the direction of the RHC staff, would draft regulations for RHC review and approval.

### **NEXT STEPS**

Depending on the feedback from the RHC, policy options and a draft regulation could be introduced in an upcoming meeting of the RHC.

### **FISCAL IMPACT**

Deliberations on potential regulations have no fiscal impact. However, covering mobile homes under the CSFRA would increase the overall expenditures. The CSFRA program is based on full cost recovery through the charge of annual fees. There are 1,130 mobile home spaces in the City of Mountain View. Increased expenditures might be covered by the annual rental housing fee for Fiscal Year 2020-21 of \$85 per unit, which would result in an added revenue of \$96,050.

**PUBLIC NOTICING** – Agenda posting.

KT-AVD/TG/6/CDD/RHC  
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Attachments: 1. January 28, 2020 City Council Study Session Memo  
2. Summary of Stakeholder Meetings held in February 2020