



**MEMORANDUM**

Rent Stabilization Program,  
Community Development Department

**DATE:** November 15, 2021

**TO:** Rental Housing Committee

**FROM:** Karen Tiedemann, Special Counsel to the RHC  
Nazanin Salehi, Special Counsel to the RHC  
Anky van Deursen, Program Manager

**SUBJECT:** **MHRSO Regulations – Chapter 4 – Registration**  
**MHRSO Regulations – Chapter 5 – Petition Process**  
**MHRSO Regulations – Chapter 6 – Hearing Process**  
**MHRSO Regulations – Chapter 11 – Notice of MHRSO/Rent Rollback**

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**RECOMMENDATION**

1. Review and adopt Registration Regulations for Mobile Home Park Owners and Mobile Home Landlords under the Mobile Home Rent Stabilization Ordinance.
2. Review and adopt Petition Process Regulations for Individual Rent Adjustment petitions under the Mobile Home Rent Stabilization Ordinance.
3. Review and adopt Hearing Process Regulations, including Hearing Office Qualifications, Hearing Procedures, and Appeal Procedures under the Mobile Home Rent Stabilization Ordinance.
4. Review and adopt Notice of MHRSO, Exemptions and Rent Rollback Regulations, including regulations related to the requirement to provide a Notice of Mobile Home Rent Stabilization Ordinance at the initiation of a Mobile Home Space or Mobile Home Tenancy.

**BACKGROUND AND ANALYSIS**

The Mobile Home Rent Stabilization Ordinance (MHRSO) was adopted by the City Council to stabilize rents for Mobile Home Owners and Mobile Home Tenants in the City of Mountain View, while at the same time protecting the rights of Mobile Home Park Owners and Mobile Home Landlords to receive a fair return on their property and rental

income sufficient to cover increases in the costs of repairs, maintenance, insurance, employee services, additional amenities, and other costs of operation. The MHRSO went into effect on October 28, 2021 and authorizes the Rental Housing Committee (RHC) to implement and administer the Ordinance.

## I. CHAPTER 4 – REGISTRATION

On June 29, 2021, the Rental Housing Committee (hereinafter “RHC”) adopted the Community Stabilization and Fair Rent Act (“CSFRA”) regulations creating mandatory registration requirements into a registration database. These regulations have allowed RHC staff and the RHC to monitor compliance with the CSFRA more accurately and efficiently. Given the utility of the CSFRA registration regulations, it is recommended that the RHC consider and adopt similar registration requirements under the MHRSO.

Like the CSFRA, which specifies units that are exempt from its provisions, the MHRSO exempts certain Mobile Home Spaces and Mobile Homes from its provisions (MHRSO § 46.4). To ensure compliance with the exemption provisions of the MHRSO and to maintain an accurate, current inventory of the covered Mobile Home Spaces and Mobile Homes in the City, it is recommended that the RHC adopt regulations for the mandatory registration of Mobile Home Spaces and Mobile Homes in the City. Moreover, the registration database currently used for Covered Units under the CSFRA could be expanded to cover Mobile Home Spaces and Mobile Homes under the MHRSO.

In addition to allowing for the tracking of covered and exempt Mobile Home Spaces and Mobile Homes, the adoption of registration regulations will allow for the implementation of other provisions of the MHRSO, including:

- **Vacancy control.** Upon the start of a new tenancy of a Mobile Home Space, a Park Owner may not increase the Rent by more than 100% of the Consumer Price Index, unless: (1) a legal termination occurred in compliance with the Mobilehome Residency Law; (2) the Mobile Home was abandoned; or (3) a commercial purchaser replaces the Mobile Home (MHRSO § 46.5(d)(2)).
- **Banked rent increase notices.** Under the MHRSO, a Park Owner or Mobile Home Landlord who does not impose a Rent increase pursuant to the Annual General Adjustment may accumulate this increase and impose it in subsequent years, with the exception that any banked increases imposed may not exceed more than 10% in any given year (MHRSO § 46.6(d)). The registration database will allow the RHC

staff to keep track of banked AGA increases and ensure that Mobile Home Owners and Mobile Home Tenants are not overcharged.

- **Termination of tenancy notices.** A Mobile Home Landlord must file with the Committee a copy of any notice terminating a Tenancy within three (3) days after serving the notice on the Mobile Home Tenant (MHRSO § 46.8(g)).
- **Space rental fee invoicing.** Park Owners and Mobile Home Landlords are required to pay a space rental fee for covered Mobile Home Spaces or Mobile Homes on an annual basis. The space rental fee revenues will be used to fund the RHC's reasonable and necessary expenses (MHRSO § 46.9(c)).

## II. CHAPTER 5 – PETITION PROCESS

Section 46.10 of the MHRSO provides for a petition process for Individual Rent Adjustments, which include both upward rent adjustments by a Park Owner or Mobile Home Landlord and downward rent adjustments by a Mobile Home Owner or Mobile Home Tenant.

A Mobile Home Park Owner or Mobile Home Landlord can petition for an upward adjustment of rent to obtain a fair return on their investment. A fair return is defined as a maintenance of net operating income earned from the property, which includes a Mobile Home Park or one or several Mobile Homes. Mobile Home Park Owners can also petition for certain Capital Improvements pass-throughs.

A Mobile Home Owner or Mobile Home Tenant can petition for a downward adjustment of rent. The basis for a downward petition includes: (1) Mobile Home Park Owner's or Mobile Home Landlord's failure to maintain a habitable premises; (2) a reduction or elimination of Communal Facilities or Housing Services; and (3) rent charged in excess of lawful rent. A successful downward adjustment petition may result in either a Rent Refund for an overpayment and/or an adjustment of Rent.

Pursuant to Section 46.10(c), the RHC is required to develop and adopt regulations "to facilitate the prompt resolution of Petitions." As such, the RHC will determine the petition procedure and petition form format. Chapter 5 of the MHRSO regulations establishes the procedure and requirements for filing a petition, including who is authorized to file a petition; the content of the petition forms; distinct requirements for the filing of each type of petition; the right to response; acceptance of petitions; prehearing conferences; and a summary of the petition process. To the extent possible,

the petition process regulations for the MHRSO mirror the petition process regulations for the CSFRA. The purpose of this is to ensure consistency across the entire program and efficient implementation of the MHRSO by both RHC staff and the members of the RHC.

### **III. CHAPTER 6 – HEARING PROCESS**

As noted above, the MHRSO provides for a petition process for Individual Rent Adjustments. The MHRSO defines an “Individual Rent Adjustment” as “an adjustment to the otherwise lawful Rent authorized by a Hearing Officer of the Committee” (MHRSO § 46.2(j)). In implementing the CSFRA, the RHC delegated determination of Individual Rent Adjustment petitions to a Hearing Officer. It is recommended that the RHC also delegate Hearings on Individual Rent Adjustment petitions under the MHRSO to a Hearing Officer. Additionally, staff recommends that the RHC hear Appeals of Hearing Officer decisions on Individual Rent Adjustment petitions under the MHRSO.

This approach is supported by the MHRSO, which authorizes the RHC to:

- Appoint Hearing Officers to conduct hearings on Petitions for Individual Rent Adjustment.
- Adjudicate Petitions and issue decisions with orders for appropriate relief.
- Administer oaths and affirmations and subpoena witnesses and relevant documents.

*See MHRSO Section 46.9(a)(5)-(7).*

Pursuant to this authority, Chapter 6 of the MHRSO Regulations establishes the procedures for hearings on Individual Rent Adjustments, including the authority of Hearing Officers, noticing and prehearing procedures, postponement requests, conduct of the hearing, maintenance of the hearing records, contents of Hearing Officer decisions, burden of proof standards, and appeals to the RHC.

### **IV. CHAPTER 11 – NOTICE OF MHRSO AND RENT ROLLBACK**

The MHRSO exempts certain Mobile Home Spaces and Mobile Homes from its provisions (MHRSO § 46.4). Chapter 11 of the MHRSO Regulations would require a Park Owner or Mobile Home Landlord to provide to each Mobile Home Owner or Mobile

Home Tenant a Notice of Mobile Home Rent Stabilization (“the Notice”) that informs them not only of the existence of the MHRSO and their rights (if any) thereunder, but also whether their tenancy is exempt under the MHRSO. The Park Owner or Mobile Home Landlord must provide this Notice on the following occasions:

- For any Tenancy in existence on or before October 28, 2021, the Notice shall be provided on or before January 1, 2021; or
- For any Tenancy commencing after October 28, 2021, the Notice shall be provided on or before the date of commencement of the Tenancy.
- Within fifteen (15) days after an exemption expires and the tenancy of the Mobile Home Space or Mobile Home becomes governed by the MHRSO.

Chapter 11 would also require that the Notice include information related to Rent Rollbacks. For tenancies in existence on or before March 16, 2021, the Base Rent is defined as the rent that was in effect on March 16, 2021. As of the effective date of the Ordinance, rent cannot exceed the Base Rent. If the effective rent between March 16, 2021 and September 1, 2022 for a covered Mobile Home Space or Mobile Home is higher than the Base Rent, the Rent must be rolled back to the Base Rent and any amounts paid by the Mobile Home Owner or Mobile Home Tenant above the Base Rent between March 16, 2021 and the date of the Rent Rollback must be repaid to the Mobile Home Owner or Mobile Home Tenant. Therefore, the Notice must state whether the Mobile Home Owner or Mobile Home Tenant is entitled to a Rent Rollback, and provide them with a Rent Rebate, if applicable.

Lastly, Chapter 11 requires a Park Owner or Mobile Home Landlord to file a copy of the Notice with the RHC or the RHC designee. The regulations create a rebuttable presumption in favor of a Mobile Home Owner or Mobile Home Tenant where they bring a Petition for downward adjustment of rent based on a failure to provide a Rent Rollback and/or Rent Refund and the Park Owner or Mobile Home Landlord has failed to timely file a copy of the Notice with the RHC or the RHC designee.

### **FISCAL IMPACT**

The adoption of the Registration regulations will assist the RHC in determining its budget for the implementation and administration of the MHRSO as it will help determine the number of covered Mobile Home Spaces and Mobile Homes and the ultimate annual space rental fee to be charged to Park Owners and Mobile Home Landlords. The

implementation and administration of the Petition Process and Hearing Process regulations will either be funded entirely by the RHC budget or through some combination of the RHC budget and/or a separate fee charged to Petitioners.

**PUBLIC NOTICING** – Agenda posting.

KT-NS-AvD/JS/2/RHC  
714-11-15-21M-1

- Attachments:
1. Mobile Home Rent Stabilization Ordinance
  2. Resolution to Adopt MHRSO Regulations Chapter 4, 5, 6, and 11.
    - Exhibit A. Chapter 4 of the MHRSO Regulations
    - Exhibit B. Chapter 5 of the MHRSO Regulations
    - Exhibit C. Chapter 6 of the MHRSO Regulations
    - Exhibit D. Chapter 11 of the MHRSO Regulations