

February 2020 Mobile Home Parks Summary Stakeholders meetings

On January 28, 2020 the City Council held a Study Session to begin the process of implementing one of the work plan items of Fiscal Year 2019-21 Major Goals, namely Project 2.5 to examine and potentially develop a rent stabilization ordinance, consistent with the Mobile Home Residency Law, for mobile home park residents. In that meeting, staff received initial Council input with the next step involving the stakeholders and receiving input on potential rent stabilization measures for mobile home parks in the City of Mountain View. Stakeholder meetings were held for both the residents of the mobile home parks (February 11 and 18, 2020) and the owners of the mobile home parks (February 13, 2020). The following is a summary of these meetings.

MOBILE HOME PARK (MPH) OWNERS STAKEHOLDER MEETING

Five of the six mobile home park owners were present or represented at the stakeholder meeting as well as a WMA representative. The MHP owners expressed that all of them are small businesses, dedicated to staying in the mobile home park business. They expressed that they are interested in creating an Accord/Memorandum of Understanding option that is similar to a rent stabilization ordinance. The MHP owners intend to produce a more detailed proposal in the coming weeks for discussion in City Council. They expressed the following opinions:

Coverage:

- Rent stabilization should be established through a long term (5/10 years) Accord (a Memorandum of Understanding between the park owners and individual residents), which
 - o would prevent lawsuits
 - o would be offered to all tenants, with an “opt-in” option
 - o could include mediation/arbitration
 - o could include an oversight commission with residents, park owners and city staff, which would function as a communication tool and create transparency
 - o would create stability in the park for the duration of the MOI
 - o is not unilaterally changeable by City Council
 - o is the modern way to create stability and predictability for the residents
- Seven jurisdictions in California have established an “Accord” for their mobile home parks (such as some parks in Sunnyvale, Larkspur, Napa, and Rancho Cucamonga)
- An Ordinance is not preferable, since it may more contentious and considered punitive by park owners and could create resentment and entitlement.

Rent:

- The MHP owners voluntarily maintain a low rent of 100% CPI or lower for existing residents.
- Some parks struggle with old infrastructure and these low rents do not cover all the park maintenance costs.
- Some type of partial vacancy control could be established (details to be determined).

Administration/Mobile Home Committee:

- A Mobile Home Committee could be established (with resident, park owner and city representatives) to foster a more transparent relationship between residents and park owners.

Capital Improvements:

- Certain Capital Improvements are necessary to maintain the park and facilities.

Safety Net:

- A private rent subsidy program for low income tenants could be established. Currently some MHP owners offer credits for low income residents through the Care Program (California Alternate Rates for Energy), providing income-eligible customers with a discount of 20 percent or more on energy bills.

Compliance/Enforcement:

- Compliance and enforcement could be part of an Accord by means of mediation/arbitration.

MOBILE HOME PARK (MHP) RESIDENTS STAKEHOLDER MEETINGS

All residents made it clear that they are seeking security and predictability in being able to live and stay in their mobile home community. A great majority of residents were unanimous in expressing the following opinions:

Coverage:

- Both mobile home space rents AND mobile home renters should be included in the CSFRA and not covered by a separate ordinance. The definition of “rental unit” vs. “dwelling” under state law and within other jurisdictions includes mobile homes and mobile home spaces.
- Rent stabilization should be established preferably through the CSFRA or if not possible by another City measure. However, not by a private contractual agreement between park owners and individual residents such as an Accord or Long Term Lease. The CSFRA/City measure is universal and applies automatically to everyone. A contractual agreement necessitates an “opt-in” for residents and does not contain administrative compliance/enforcement mechanisms (such as a petition process in the CSFRA), but is only enforceable in court. The “opt-in” is scary for certain residents who are afraid for retaliation.

Rent:

- Rents should be rolled back to 2015/2016 levels (plus allowable AGAs). Some residents indicate they are okay with the roll back date being the date of the court decision deciding that mobile homes were not included in the CSFRA (August 28, 2018).
- Rent increases should be limited on an annual basis bearing in mind that:
 - o seniors on fixed income have difficulty affording just the AGA increase,
 - o mobile home owners also pay mortgage installments, property taxes, utilities and maintenance and repair costs for their mobile homes,
 - o housing services, which were eliminated in recent years, did not result in a rent decrease (no heating in community room, pool not heated, car wash turned off, non-working fire hydrants, PG&E noncompliance).
- Vacancy Control should be established for space rent. One option to consider is a compromise that allows for a certain defined percentage increase at turnover (5% to 10%). Currently, when mobile homes are put on the market, the space rent is increased to such a high level that the home loses its value making it difficult to sell the home. Additionally, the high space rents upon sale of a mobile home make it challenging for buyers to qualify for a mortgage as well as the space rent (3x monthly space rent) to be able to rent in the park. This is a high threshold. As a result, some park owners buy up the mobile homes and convert them into rentals, thereby reducing affordable ownership housing stock in the community.

Administration/Mobile Home Committee:

- Residents advocate for a mobile home community representative on the Rental Housing Committee from the mobile home community.
- If a separate ordinance is created by the City Council, and mobile homes are not covered by the CSFRA, a separate Mobile Home Committee should be established (with resident representatives, park owners and city representative) to foster a more transparent relationship between residents and park owners.
- The Program's implementation and administration could be performed by the current CSFRA staff.
- Neither a Mobile Home Committee nor the implementation/administration responsibilities should be handed over to the Western Manufactured Housing Communities Associate (WMA).

Terminations:

- Copies of termination notices should be sent to the City for tracking and compliance purposes.

Capital Improvements:

- Capital Improvements should go through a fair rate of return process and only be allowed for health and safety reasons. These improvements should not include previously neglected maintenance and repairs, or unnecessary upgrades or improvements unless the residents can provide input and vote to approve the improvement.

Sublease:

- The option of subleasing (part of) a mobile home should be allowed (to share rent costs).

Safety Net:

- There are major concerns for seniors/veterans/disabled on a fixed income. A safety net should be created:
 - o There are concerns that the park will increase space rent so that these vulnerable populations will no longer be able to afford the rent. This would force them into selling the home, especially since it is prohibited from subleasing a mobile home.
 - o High vacancy decontrol increases for space rent at time of sale will make it more difficult to sell homes.
 - o There are current concerns about 7-day eviction notices to make large repairs, including threats with eviction procedures. These vulnerable populations have inadequate time to make and/or afford the repairs. Some residents have been forced out of their homes due to this practice in the past. Outside resources currently available to help with repairs and other defective conditions are insufficient.
 - o The safety net should help cover costs related to home repairs.

Compliance/Enforcement:

- Compliance and enforcement regulations should be included in a measure or ordinance.