



MEMORANDUM

Rent Stabilization Program,
Community Development Department

DATE: March 22, 2021

TO: Rental Housing Committee

FROM: Karen Tiedemann, Special Counsel to the RHC
Anky van Deursen, Rent Stabilization Program Manager

SUBJECT: Mobile Homes and Rent Stabilization

RECOMMENDATION

For the Rental Housing Committee to receive an update on the policy context of mobile homes and rent stabilization in Mountain View and consider a path for providing tenant protections for mobile home residents.

BACKGROUND AND OVERVIEW

In November 2016, Mountain View voters approved the Community Stabilization and Fair Rent Act (CSFRA) as a Charter Amendment, effective December 23, 2016. The CSFRA enacted rent stabilization for 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, nor does it specifically exempt mobile homes. In 2018, the Rental Housing Committee (RHC) adopted Resolution 11, finding that the CSFRA does not apply to mobile homes. Mobile home residents filed a lawsuit against this decision. The RHC decision to interpret the CSFRA as excluding mobile homes was upheld in court, with the court finding the CSFRA was, at best, ambiguous on this point and the RHC had discretion to interpret the CSFRA in this way. The mobile home residents appealed the trial court decision. This lawsuit had been pending for the past couple of years and has only recently been resolved (see background information below).

On May 21, 2019, the City Council adopted its Fiscal Year 2019-21 Major Goals and associated work plan items. One of the work plan items (Project 2.5) included examining

and potentially developing a rent stabilization program, consistent with the Mobilehome Residency Law (MRL), for mobile home park residents.

On January 28, 2020, the City Council held a Study Session to discuss elements of mobile home rent stabilization. Council directed staff to evaluate potential approaches for rent stabilization other than a rent stabilization ordinance, such as Memorandums of Understanding or Accords, to hold outreach meetings with stakeholders (see Attachment 1: September 21, 2020, RHC Memo Mobile Home Parks), and to follow up with Council at the appropriate time. On February 11 and February 18, 2020, mobile home resident stakeholder meetings were conducted, and on February 13, 2020, a park owner stakeholder meeting was held. A summary of the stakeholder meetings is set forth in Attachment 2. In March 2020, surveys were mailed to residents and park owners to collect detailed information on demographics, cost of living, rent and rent increases, and park maintenance in order to inform potential policy recommendations. A summary of the survey data is provided in Attachment 3.

On September 21, 2020, the RHC held a Study Session on mobile home rent stabilization. Since the appeal of the litigation challenging the adoption of Resolution 11 was still pending, the RHC did not take action at that meeting but received background information and history about mobile home rent stabilization in Mountain View (see Attachment 1).

On December 22, 2020, the Court of Appeals issued its decision regarding the appeal as was mentioned above, and unanimously affirmed the trial court's decision, finding the CSFRA was ambiguous on coverage of mobile homes and mobile home spaces under the CSFRA, the RHC has the discretion to interpret the CSFRA, and its decision not to include mobile homes and mobile home spaces under the CSFRA was not an abuse of discretion.

Mobile Home Regulations in Mountain View

The CSFRA does not specifically mention mobile homes as a residential structure subject to the CSFRA, nor does it specifically exempt mobile homes from its protections. The definitions in the CSFRA are broad enough to support an argument that they 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 clearly precludes regulation of the rental of mobile home spaces and mobile homes. However, the CSFRA does conflict with the MRL in places, and portions of the CSFRA could not be applied directly to mobile homes. If mobile homes were covered by the CSFRA, the existing conflicts between the MRL and the CSFRA would need to be addressed in regulations for mobile home parks to explain how the CSFRA's provisions would be applied.

As indicated above, the RHC decided in 2018 to not include mobile homes as covered units under the CSFRA. At its February 10, 2020 meeting, the RHC, as part of a discussion regarding potential revisions to the CSFRA, indicated its support for City-developed mobile home rental protections similar to the CSFRA. The RHC expressed that a separate ordinance from the CSFRA, specifically geared towards mobile homes, will help facilitate a more effective and efficient implementation of mobile home rent stabilization (see Attachment 4: Minutes RHC Meeting February 10, 2020). Furthermore, the RHC indicated its willingness to work with the City and Council in the development and administration of a rent stabilization ordinance for mobile homes, regardless of whether Measure D, a Charter amendment rejected by voters in 2020, was adopted. The RHC discussed that it is open to the concept of implementing a City-developed mobile home ordinance, because the existing CSFRA program components could easily be expanded to include mobile homes in (e.g., the existing rent registry, the invoice process of annual fees, and the petition process), provided there is adequate funding available.

At the March 16, 2021 City Council meeting, Council held a Study Session to provide input on the draft vision, strategic priorities, and potential projects that would be incorporated as part of the City's Strategic Plan, to be developed over the next few months. One of the discussion items concerned rent stabilization for mobile homes. Council supported staff's recommendation for the City to develop a mobile home rent stabilization ordinance modeled after the CSFRA and administered by the RHC, and to include this project as part of the City's Strategic Plan.

QUESTIONS

1. Does the RHC support the decision of Council to develop a City mobile home ordinance to be modeled after the CSFRA and to be administered by the RHC, provided there is adequate funding available?
2. Does the RHC wish to provide any initial input to the Council regarding the development of a mobile home rent stabilization ordinance and/or the administration of such ordinance?

FISCAL IMPACT

Deliberations on potential policy options have no fiscal impact. Administration of a City Council-adopted ordinance would increase overall expenditures as would covering mobile homes under the CSFRA. Associated costs of implementation and administration vary based on staffing.

Funding for the current CSFRA Program is fully cost-recovered through the charging of annual fees to landlords with properties covered by the law. Should the Council or RHC adopt a mobile home rental housing fee similar to that of the CSFRA rental housing fee, and choose to have the CSFRA Rent Stabilization Program administer a mobile home rent stabilization program, the increase in funding may cover increased expenditures. To illustrate, there are 1,130 mobile home spaces in the City of Mountain View. The CSFRA annual rental housing fee for Fiscal Year 2020-21 is \$85 per unit, which would result in an added revenue of \$96,050 to be allocated to support necessary staffing and resources.

PUBLIC NOTICING – Agenda posting.

TS-AvD/JS/8/CDD/HRC

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- Attachments:
1. September 21, 2020 RHC Memo Regarding Mobile Home Parks
 2. February 2020 Summary of Stakeholder Meetings
 3. March 2020 Summary Data, Mobile Home Surveys
 4. February 10, 2020 Minutes, RHC Meeting