



COUNCIL REPORT

DATE: March 13, 2025
CATEGORY: Public Hearing
DEPT.: Housing
TITLE: **Amendments to Chapter 46, Mobile Home Rent Stabilization Ordinance (First Reading)**

RECOMMENDATION

1. Introduce an Ordinance of the City of Mountain View Amending Mountain View City Code Chapter 46, Sections 46.5 and 46.6, to Modify Allowed Annual Rent Increases from the Current Combination of an Adjustment Limited to 100% of the Consumer Price Index for All Urban Consumers (CPI-U) for the San Francisco-Oakland-Hayward region, with a 2% Floor and 5% Ceiling to an Adjustment Limited to 60% of the CPI-U with No Floor and a 3% Ceiling, to be read in title only, further reading waived, and set a second reading for March 25, 2025 (Attachment 1 to the Council report).
2. Find that pursuant to California Code of Regulations Section 15060(c)(2), the proposed Code amendments are not subject to the California Environmental Quality Act because they will not result in a direct or reasonably foreseeable indirect physical change in the environment.

BACKGROUND

The City's state-certified 2023-31 Housing Element includes Program 3.2 related to displacement prevention and mitigation efforts. Program 3.2 includes a comprehensive list of policies, programs, and actions, including reviewing the Mobile Home Rent Stabilization Ordinance (MHRSO) with two specific provisions as follows:

- "Study amendments to the MHRSO such that allowed rent increases are consistent with or less than comparable jurisdictions with rent control for mobile home parks."
- "Study updates to the MHRSO regarding allowed rent increases and adopt (if directed by Council) by March 31, 2025."

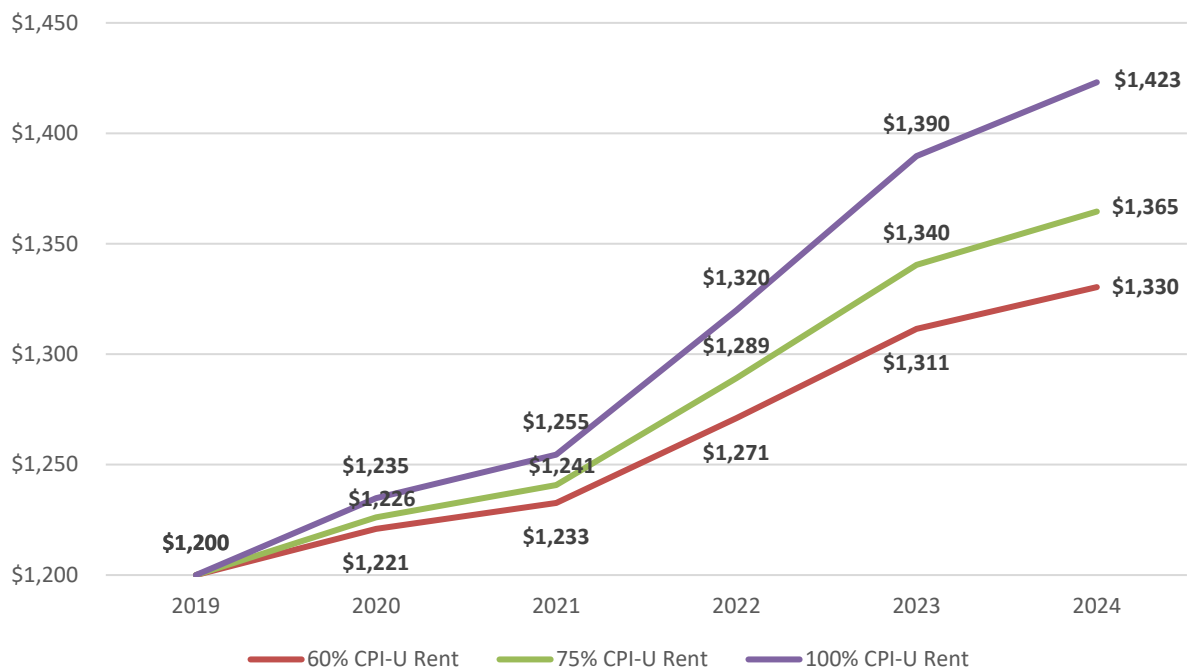
During the [December 12, 2024 Rental Housing Committee \(RHC\) meeting](#), staff recommended modifying the MHRSO to lower the annual general adjustment (AGA) from 100% of the CPI-U to 75% of the CPI-U, while maintaining the current 2% floor and 5% ceiling. The RHC voted 2-1 to

recommend to Council a different combination than provided by staff, as follows: (1) lower the AGA from 100% CPI-U to 60% CPI-U; (2) lower the floor from 2% to no floor; and (3) maintain a ceiling of 5%.

On [January 28, 2025, the City Council heard a New Business item](#) to provide direction on MHRSO amendments. This report provides comprehensive background information and analysis regarding options for the AGA, floor and ceiling. Staff recommended the following combination: (1) lower the AGA from 100% CPI-U to 75% CPI-U; (2) lower the floor from 2% to 1%; and (3) maintain a ceiling of 5% (same as staff’s recommendation). **The City Council recommended the following (4-3 vote): (1) lower the AGA from 100% CPI-U to 60% CPI-U; (2) lower the floor from 2% to no floor; and (3) lower the ceiling from 5% to 3%.**

Chart 1 illustrates the difference in rent increases using a 60% CPI-U, 75% CPI-U, and 100% CPI-U standard over the most recent five years.¹ The assumed starting rent is \$1,200/month (2019), which is a typical space rent. After three years (2022), the 60% CPI-U rent is \$1,271/month versus \$1,320/month for the 100% CPI-U rent (\$49 difference). After five years (2024), the 60% CPI-U rent is \$1,330/month versus \$1,423/month for the 100% CPI-U rent (\$93 difference). [Note that neither a 3% nor 5% ceiling was used for the purposes of this illustrative example.]

Chart 1: Comparison of Rent Increases Using 60% CPI-U, 75% CPI-U, and 100% CPI-U



¹ Chart 1 uses the actual CPI-U for the most recent five years: 2.9% (2020), 1.6% (2021), 5.2% (2022), 5.3% (2023), and 2.4% (2024).

ANALYSIS

This Public Hearing is held for the first reading of the MHRSO amendments as recommended by Council during its January 28, 2025 meeting. The second reading to adopt the amendments will be a Consent item on March 25, 2025. The MRHSO amendments will go into effect thirty (30) days after the second reading with an effective date of April 24, 2025.

FISCAL IMPACT—The recommended actions have no fiscal impact.

LEVINE ACT

California Government Code Section 84308 (also known as the Levine Act) prohibits city officials from participating in any proceeding involving a “license, permit, or other entitlement for use” if the official has received a campaign contribution exceeding \$500 from a party, participant, or agent of a party or participant within the last 12 months. The Levine Act is intended to prevent financial influence on decisions that affect specific, identifiable persons or participants. For more information see the Fair Political Practices Commission website: www.fppc.ca.gov/learn/pay-to-play-limits-and-prohibitions.html

Please see below for information about whether the recommended action for this agenda item is subject to or exempt from the Levine Act.

EXEMPT FROM THE LEVINE ACT

General policy and legislative actions

ALTERNATIVES

1. Do not approve the ordinance modifications.
2. Provide other direction.

PUBLIC NOTICING

The meeting agenda and Council report have been posted on the City's website and announced on Channel 26 cable television. A copy of the agenda packet was emailed to the MHRSO distribution list, including park owners and mobile home residents.

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WC/6/CAM
821-03-13-25CR
204781

Attachment: 1. Ordinance Amending Chapter 46 of the City Code