

COUNCIL

REPORT

DATE: June 28, 2022

CATEGORY: Public Hearing

DEPT.: Community Development

TITLE: Mobile Home Rent Stabilization

Ordinance—Amendment Related to

Accord or Memorandum of Understanding Exemption

RECOMMENDATION

Introduce an Ordinance of the City of Mountain View Amending the Mobile Home Rent Stabilization Ordinance (Chapter 46 of the Mountain View City Code) to Remove the Exemption for Mobile Home Spaces and Mobile Homes in a Mobile Home Park that Are Subject to an Approved Accord, to be read in title only, further reading waived, and set a second reading for September 13, 2022 (Attachment 1 to the Council report).

BACKGROUND

The City of Mountain View has six mobile home parks that include 1,130 mobile home spaces. The mobile homes provide an important type of housing stock in the City because it is a more affordable type of housing compared to other types of housing. The Fiscal Year 2019-21 City Council Work Plan included an item to "examine and potentially develop an ordinance that controls mobile home park space rents and addresses other issues." On March 16, 2021, Council voted to keep the preparation of a mobile home rent stabilization ordinance as a priority project and directed staff to prepare an ordinance that would provide tenant protections equivalent to those under the Community Stabilization and Fair Rent Act (CSFRA) governing applicable apartment rental units. The Fiscal Years 2021-23 City Council Work Plan includes an item to "develop a mobile home rent stabilization ordinance adopted by the City Council and administered by the Rental Housing Committee."

On September 14, 2021, Council held a public hearing and approved the first reading of the Mobile Home Rent Stabilization Ordinance (MHRSO). On September 28, 2021, Council held the second reading of the ordinance and adopted the MHRSO, and its provisions took effect on October 28, 2021.

At the September 14, 2021 meeting, Council also adopted language in the MHRSO (codified in Chapter 46 of the City Code) to include Section 46.4, which lists exemptions to the Ordinance, among them subsection (d), which exempts:

"All mobile home spaces and mobile homes in a mobile home park that are subject to an accord that has been approved by the city council and at least eighty (80) percent of the residents in a mobile home park shall be temporarily exempt from the provisions of this Chapter while the accord is in effect."

During the September 14, 2021 Council meeting, Council also directed staff to work with park owners and residents to develop a model accord (often referred to as a Memorandum of Understanding (MOU), a term that will be used interchangeably with accord in this report) that could provide the basis for an exemption, and to return to Council before the end of Fiscal Year 2021-22 for deliberation. At the first reading, Council discussed a similar process that was incorporated in the City of Sunnyvale, which resulted in one model accord.

Sunnyvale Context and MOU Process

The Sunnyvale City Council directed its staff to work with mobile home park owners and mobile home park resident stakeholders to explore the preparation of a mobile home park accord, with the understanding that if the mobile home park owners did not all agree to sign on to one MOU, the Sunnyvale City Council would consider adoption of an MHRSO.

The context for preparation of Sunnyvale's mobile home park MOU was fundamentally different than Mountain View's as park owners were motivated to seek an acceptable MOU because they preferred a collaborative process to define the terms of the MOU, as opposed to having an MHRSO imposed by the Sunnyvale City Council. Residents were motivated to work towards an acceptable MOU because it was unknown whether the Sunnyvale City Council would ultimately adopt an MHRSO in the absence of agreement for an MOU and/or what terms an MHRSO would include, if adopted.

Ultimately, after more than a dozen negotiating sessions facilitated by City of Sunnyvale staff and consultant/special legal counsel, plus numerous additional separate meetings conducted independently by the park owner group and a park resident stakeholder group that was supported by an attorney experienced with MHRSOs and MOUs, the two stakeholder groups came to agreement on the basic terms of an MOU. From this point, the City of Sunnyvale's special legal counsel and a "drafting subcommittee" with representatives of both the park owners and the park residents worked on drafting the detailed MOU documents.

During this drafting process, the stakeholders and facilitators recognized that one of the parks had unique circumstances due to a recent sale of the park, which required special treatment, in

order to gain their agreement to sign onto an MOU. Thus, 10 Sunnyvale mobile home parks agreed to sign the "standard" MOU, and one park signed a modified MOU that made limited modifications to address its special circumstances. Based on the success of the MOU process, the Sunnyvale City Council did not consider adoption of an MHRSO.

The remainder of this Background section provides an overview of accords, their purpose, and their use in the context of rent stabilization programs as well as a summary of the stakeholder process.

Overview of Accords

Some jurisdictions in California have used accords instead of implementing rent stabilization programs to address the issues of tenant protection and excessive rent increases. The accords consist of an agreement entered into by a park owner and the local jurisdiction (by approval of the local legislative body), as well as voluntary long-term lease or rental agreements between the park owner and the park residents implementing the terms of the MOU. There are a limited number of mobile home park accords or MOUs in effect in California, including locations such as the cities of Modesto, San Dimas, Rancho Cucamonga, Ontario, Vista, Napa, and Sunnyvale. In most jurisdictions, such as Sunnyvale, only an MOU/accord is in place. Of the jurisdictions that were identified as having MOU/accords, all used a single MOU covering all parks in the jurisdiction (with the limited exception noted for one park in Sunnyvale). Modesto has an ordinance and an MOU/Accord.

<u>City-Facilitated MHRSO Accord Process</u>

As noted above, the Mountain View MHRSO exempts mobile home parks during the time an accord is in effect. For an accord to go into effect, two thresholds must first be met.

- First, Council must approve the accord, which is defined in Section 46.2 of the MHRSO as "a written agreement between a Park Owner and the City, the form of which has been adopted by the city council."
- Second, a park owner desiring to utilize the accord must put the accord to a vote of the
 residents of that particular park. If at least 80% of the residents vote in favor of the accord,
 then the City and the park owner would execute the accord and the terms of the accord
 would replace the MHRSO for that park.

While the MHRSO does not explicitly stipulate the order in which the two requirements must be met, it would be appropriate to have Council adopt the form of the accord first. First, Section 46.4, Subsection (d), lists the requirement for the City's approval first, followed by the resident voting threshold.

Additionally, because the accord is a written agreement between the park owner and the City, the City must agree with the terms of the agreement. Council approval should not be considered automatic and simply function as a rubber stamp even if the threshold percentage of residents vote in favor of a specific accord first. If Council simply approves a resident-approved accord, that means Council would have effectively foregone its role in determining the content and terms of an agreement, which will be binding on the City and to which the City is a party.

Finally, there is an inherent potential for unequal bargaining power in mobile home park owner and resident relationships. The City has a role in ensuring that unequal bargaining power does not influence the outcome, such as reviewing and identifying terms that should be part of the accord, how the accord would be implemented and enforced, and prescribing guardrails, such as how the vote on an accord shall be conducted.

Per Council's direction and discussion, the City implemented a stakeholder process to see if a single, model accord could be reached between park owners and mobile home residents. Physical notifications with information about the stakeholder process were mailed to all mobile home park owners and residents prior to the start of the process (Attachment 2). In addition, a website at www.mountainview.gov/mobilehomes was set up to provide updates throughout the process and to allow interested parties to sign up for email notifications. Due to the pandemic, all of the meetings below were held virtually:

- January 26, 2022—First resident meeting (provide input on a model accord)
- January 27, 2022—Park owner meeting (provide input on a model accord)
- February 17, 2022—Second resident meeting (discuss park owner model accord proposals)
- March 10, 2022—Joint resident/park owner meeting (evaluate and refine model accord)
- March 24, 2022—Deadline for park owners to submit model accord
- April 7, 2022—Public workshop to review model accord

Principles

The City incorporated the following principles to facilitate the process. Below is a description of and rationale for the principles. These principles were also conveyed to the stakeholders during the process.

Develop a single model accord.

Council directed staff to work with stakeholders to develop one MOU and referenced the process used by the City of Sunnyvale. Staff proceeded with that direction. Staff was asked about multiple accords during the process, but that was not the Council direction.

Staff agrees with Council's direction for one MOU. Multiple accords would present a significant administrative burden for the City to implement and may undermine the MHRSO itself. The only pragmatic way for an accord exemption to work is with a single model accord that would be used by all parks whose residents approve the accord. Multiple accords would make it very difficult for the City to evaluate the different accords and provisions, and to enforce the terms.

Additionally, the MHRSO provides the same rent stabilization and protections for all mobile home renters. If there are multiple accords with potentially different terms for each park, the renters in different parks will have different protections. This may result in unequal protections for residents in different parks. The MHRSO prevents the inequity that may come with uneven distribution of bargaining power, while multiple accords can lead to inequitable outcomes. As mentioned previously, with a limited exception in Sunnyvale, all California cities implementing a mobile home park MOU or accord do so with a single agreement that is used for all parks.

• Comprehensive model accord is necessary.

An accord should be comprehensive and address the same areas as the MHRSO. Without including a similar or alternative provision to achieve the intended protections included in the MHRSO, it is possible that an accord provides less benefits than the MHRSO. This would be a contradictory and illogical result.

At minimum, the model accord would be evaluated on nine key terms that the MHRSO contains, which include:

- Annual Allowed Rent Increase
- Vacancy Control/Decontrol
- Park Owners Petition
- Residents Petition
- Pass-Through Costs
- Just-Cause Eviction
- Duration of Program
- Program Fees
- Administration and Enforcement

• Single, comprehensive model accord should provide substantially similar or greater benefits than the MHRSO.

As noted, an accord that provides less protections to mobile home residents than the MHRSO would be a contradictory and illogical result. Therefore, a model accord should

provide substantially better or greater benefits than the MHRSO for staff to be able to recommend approval by Council. Staff would use this standard to conduct an objective evaluation of a model MOU developed by the park owners for the City Council's consideration.

• Likelihood of whether a model MOU could achieve 80% approval by residents as required by the MHRSO.

The MHRSO requires that 80% or more of a park's residents approve an accord. Even if a model MOU is approved by Council, it would not go into effect if it is not passed by 80% of the residents of a park. There is also a relationship between the 80% threshold and the benefits of a model accord. If a model accord provides similar or better benefits, it may have more resident support; if not, then a model accord will not have resident support. Therefore, it would be in the interest of the park owners to discuss their proposals with and receive feedback from the residents during the stakeholder process.

• City is a facilitator.

The City's role is to facilitate the stakeholder process so that the park owners could work with each other and with the residents towards a single, comprehensive model accord. This means that the City provided a meeting schedule, set up the virtual meetings, established a framework, took notes, and handled other logistics to facilitate discussions among the stakeholders and did not direct the stakeholders toward any particular outcome as long as it meets the above principles.

Stakeholder Participation/Input

Below is a summary of the participation by park owners and mobile home residents during the stakeholder process, including their comments provided.

Park Owner

— Participation:

- The following parks were represented at the January 27 meeting: Sunset Estates Mobile Home Park (Sunset Estates), Moffett Mobilehome Park (Moffett), Moorpark Mobile Homes (Moorpark), Sahara Mobile Village (Sahara), and Santiago Villa. New Frontier was not present/represented.
- o The March 10 meeting was attended by park representatives of Sunset Estates and Sahara Mobile Village/Santiago Villa.

— Input:

- o Did not want a single, model MOU; wanted each park to be able to have its own MOU.
- o Park owners were interested in the potential of an MOU to create a less complicated framework for regulating mobile home park rents and other lease terms; they did not want the MOU to be overseen by the Rental Housing Committee (RHC).
- Park owners consider an MOU less confrontational and less adversarial than an MHRSO, and any potential issues could be resolved through mediation with no oversight by the RHC.
- o Park owners discussed some of their preferred key terms of a potential MOU which were later reflected in the proposals received.
- One park owner did not agree with the "one-size-fits-all" approach of a model MOU and stressed that each park may have different terms and conditions (e.g., a senior park versus an all-family park).
- o One park owner emphasized that 80% of residents should approve a park's proposal first before it is submitted to the City Council for approval.

Resident Input:

- Participation: Limited number of resident participation throughout the process.
- Input: Overall, residents offered MOU/accord terms that were very similar to the provisions of the MHRSO. This may suggest that participants are largely satisfied with the protections provided by the MHRSO and may not be motivated to seek alternative terms that could be incorporated into an MOU/accord.
 - Some concern was expressed about retaliation from park owners if residents participated in the MOU process; residents emphasized that the process of voting on whether to accept an MOU needed to protect the confidentiality of residents' votes.
 - Input that there was limited incentive for residents to participate given that there is an MHRSO already in place that provides stability and protection for residents. So, an MOU would need to provide substantially similar benefits or better than the MOU for residents to support it.

- o Another key concern of residents was whether the City would enforce the terms of the MOU/accord on their behalf. Many residents expressed that they did not have the financial means to bring a lawsuit against a park owner if they believed the MOU/accord was not being implemented properly.
- o Another concern of residents was the pass-through provisions in a potential MOU as well as the proposed vacancy space rent increase rates upon sale and new occupancy of a mobile home.
- o A general concern of residents of two mobile home parks is the repeated communication of the park owner regarding potential closure of these parks.

ANALYSIS

As noted above, the stakeholders—particularly the park owners—were requested to work together and submit a model accord for staff's review by March 24. Staff received two partial submittals by March 24: one for Sunset Estates and one for both Sahara Mobile Village and Santiago Villa. Neither submittal had the consensus of all of the park owners, nor did the two submittals include all nine of the key MOU terms discussed in the Background section. As such, staff did not have a single, comprehensive model MOU from the park owners to evaluate. The park owner proposals included a safety net program, which is not a provision in the MHRSO. Table 1 below provides a summary of the two park owner proposals, and the actual proposals are in Attachments 3 (Sunset Estates proposal) and 4 (Sahara Mobile Village/Santiago Villa).

Residents provided input regarding the two park owner proposals during the April 7 Public Workshop to review the proposals. On all of the key terms, residents stated their preference for the existing MHRSO rules instead of the park owner proposals. Additionally, staff received two resident submittals from Sunset Estates (Attachment 5):

- One submittal represents one resident's viewpoints. The resident is not in favor of an MOU and submitted input that would be applicable only if residents had to have one.
- One submittal represents the viewpoints of various Sunset Estates residents.

On most of the key terms, the Sunset Estates resident submittals prefer to use the existing MHRSO provisions. Resident proposals as well as input from the April 7 meeting are summarized in Table 1 below.

Between April 7 and June 2022, during the preparation of this report, staff received input from four residents of Sunset Estates requesting that Council consider the Sunset Estates proposal in its deliberation, and one resident opposing the Sunset Estates proposal.

Table 1: Park Owner Proposals and Resident Input

Key	City	Sunset Estates MOU	Sahara Mobile	Mobile
Components	MHRSO	(Owner Proposal)	Village/Santiago Villa MOU	Home Residents
			(Owner Proposal)	
Annual General Adjustment (AGA) of rent	Rent Includes utilities unless separately billed. Once per 12 months Increase: 100% CPI (minimum 2% to	Rent does not include utilities Once per 12 months Increase: 75% of CPI (minimum 2% to maximum 5%).	Uses defined Base Rent Once per 12 months Increase: 100% CPI (no	Follow MHRSO rules.
Vacancy Control: Limited one- time rent increase upon transfer of Mobile Home	maximum 5%). 100% CPI Vacancy decontrol for mobile home tenants: rent can be increased to market value.	2.5% for each 12-month tenancy period of current owner (e.g., 10-year tenancy allows for 25% increase).	minimum/ no maximum). \$200 or 20% (up to \$2,000 or \$1,500 maximum rent). Vacancy decontrol for mobile home tenants: rent can be increased to market value.	Follow MHRSO rules.
Park Owner Petitions	Owners are allowed to petition for rent increases above the AGA if they are not able to earn a fair rate of return, including Vega adjustment.	Park Owner waives right to file a petition for upward adjustment of rent, Vega adjustments, and covenants not to close park for the duration of the MOU.	Park Owner waives right to file a petition for upward adjustment of rent, Vega adjustments.	Follow MHRSO rules.
Park Resident Petitions	Residents can petition for rent adjustments for three reasons: unlawful rent, reduced or eliminated housing services, or common facilities, habitability issues.	Absent from Proposal.	Absent from Proposal.	Follow MHRSO rules.

Key Components	City MHRSO	Sunset Estates MOU (Owner Proposal)	Sahara Mobile Village/Santiago Villa MOU	Mobile Home Residents
Pass-Through	Capital	Government fees and	(Owner Proposal) Capital	Follow
Costs	Improvement costs:	assessments increases in	Improvement	MHRSO
20010	park owner must file	excess of 2%, 100% pass-	Costs over	rules.
	petition; up to 50%	through (no	\$50,000 minus	
	of approved costs	amortization).	insurance/claim	
	(amortized over life		payments: 100%	
	expectancy of	Capital Replacement	pass through	
	improvement) cost not considered rent;	Costs: annual amortized costs 100% pass-through.	(amortized over life expectancy;	
	annual costs per	costs 100% pass-tillough.	considered rent).	
	tenant no more	Property Tax increases in	considered reneg.	
	than 5% of Base	excess of 2%, 100% pass-		
	Rent; residents have	through. Property tax		
	a right to appeal.	increase due to sale of		
		park in excess of 2%,		
	Improvements must benefit residents	100% pass-through (five- year amortization).		
	and functional	year amortization).		
	improvement.	No pass-through of		
		property tax increase in		
	Not allowed:	case of voluntary		
	routine	reorganization by park		
	maintenance and	owner.		
	repair costs; replacement due to	Disaster: Damage over		
	neglect of	\$50,000) minus		
	maintenance;	insurance/ claim		
	noncompliance with	payments, 100% pass-		
	habitability/health codes.	through.		

Key Components	City MHRSO	Sunset Estates MOU (Owner Proposal)	Sahara Mobile Village/Santiago Villa MOU (Owner Proposal)	Mobile Home Residents
Just-Cause Evictions	Mobile home tenants can be evicted only for nine specific reasons. Homeowners are protected under State MRL.	Absent from Proposal (homeowners would be protected under State MRL, no provisions for mobile home tenants).	Absent from Proposal (homeowners would be protected under State MRL, no provisions for mobile home tenants).	Follow MHRSO rules.
Duration of the Program	Program continues indefinitely until revoked or amended by City Council.	120 months (10 years).	Absent from Proposal.	Follow MHRSO rules.
Annual Program Fees	Park Owner is responsible to pay fees to City.	If no MHRSO fees charged, residents will be credited with half the fees not charged.	Absent from Proposal.	Follow MHRSO rules.
Administration and Enforcement	The MHRSO tasks the administration and enforcement to the RHC.	Mediation.	Absent from Proposal.	Follow MHRSO rules.

Key Components	City MHRSO	Sunset Estates MOU (Owner Proposal)	Sahara Mobile Village/Santiago Villa MOU	Mobile Home Residents
Other–Safety Net Program	The MHRSO does not provide for a safety net program.	Provide rent relief from rent increases if a homeowner is unable to pay due to financial circumstances. Qualifying homeowners (household income at or below \$34,480 and assets at or below \$150,000) would receive a rent credit for the amount of any rent increase that causes their monthly rent, including all pass-throughs, to exceed one-third of their	Rent credit program for qualifying households with incomes at or below \$34,480 and assets no more than \$150,000. Credit up to amount of annual rent increase if new rent is more than one-third of household income.	Safety net would be nice to have, but would not want to sacrifice MHRSO protections and benefits.
Other	N/A	No closure of Park during term of MOU.	N/A	N/A

In summary, the park owners did not submit a single, comprehensive model accord for staff to evaluate. Instead, two park owners sent two separate proposals representing three parks, which did not include all of the key terms and did not have consensus of the other park owners. No proposals were sent from representatives of the other three parks.

Additionally, the residents who submitted partial proposals indicated that their preference is for the MHRSO rather than the proposals.

Given the summary above, staff recommends that the Council <u>not</u> approve either of the two park owner submittals because they are incomplete, do not have consensus of all of the park owners, and would not provide substantially similar or greater benefits compared with the MHRSO. Additionally, based on the relatively minimal resident feedback received, the preference is for the MHRSO.

Recommendation to Amend the MHRSO and Remove the Accord Exemption Provision

A single, comprehensive model accord is the only pragmatic way for the accord exemption to work in the context of the MHRSO. The park owners did not achieve this result through the stakeholder process, and staff does not recommend redoing the process in another attempt to achieve a model accord. Because there was not a model MOU received with all six park owners' consensus that covered the key terms, staff recommends the Ordinance be modified to remove the MOU provision.

Leaving the accord exemption in the MHRSO would result in a much more complex program to administer and could undermine the MHRSO itself, including the following factors:

Ongoing uncertainty for residents and staff.

If the accord exemption is not removed from the MHRSO, park owners could submit a proposed accord at any time to the City for consideration. This causes uncertainty for residents as well as for staff in managing the workload.

Costly and complex administration and enforcement.

If each park owner is allowed to have their own accord specific to each park, each with different provisions, that needs to be evaluated on its own terms, the evaluation will be complex, lack common standards, and will require significant staff time.

Additionally, while neither of the two park owner proposals included MHRSO/City fees, fees would need to be required to administer any accord. Staff would need to evaluate an accord, as well as monitor and enforce the terms of the agreement, if necessary. Based on park owners' comments, it appears they believe that because an approved accord would be exempt from the MHRSO—and, therefore, exempt from MHRSO fees—no fees would be required to administer the accord. However, there would need to be an accord fee to cover the administrative, monitoring, and enforcement costs associated with the accord.

Finally, because an accord requires the residents of a park to vote on it, a voting process would need to be incorporated that should be overseen by the City. This would further add cost and complexity to administer the accords and would need to be reflected in accord fees. Council direction for the adoption of the MHRSO was to ensure that the implementation would not have fiscal impacts on the City. In keeping with that approach, fees would have to be developed for implementation and monitoring as needed for the accords.

• Accords could undermine the MHRSO and cause MHRSO administration to be infeasible.

The MHRSO is a cost-recovery fee-based program and currently has one Full Time Employee (FTE) assigned to oversee the program. If a park with an approved accord does not pay the MHRSO rental housing fee, then program funding will be reduced or the per-space fee charged for the parks covered by the MHRSO would have to be increased. If there is more than one park with an approved accord, these impacts are magnified. Given that the fees are already higher than the fees charged for the CSFRA-covered units, increased fees will put a greater burden on the parks participating in the MHRSO. Finally, an MHRSO program that also requires additional administration of separate accords increases the complexity of the overall program and will increase total administrative costs. Fees for both the MHRSO and accords would need to be adjusted/set accordingly.

• Legal resources for residents in a park with an approved accord would be needed.

The MHRSO includes a petition process that residents can use if they believe they have received an excessive rent increase or if a park owner is not complying with other requirements. However, the two park owner submittals did not include any provision regarding a resident process or a method that would allow issues to be adjudicated. During the stakeholder process, residents expressed concern that they would have to seek and pay for legal services if they were under an accord because the MHRSO resident petition process would not be available to them. Other jurisdictions that have accords fund mediation services or a mobile home ombudsperson to provide an initial option for resolving compliance issues that does not require the tenant to hire an attorney. Any accord should have fee levels set to provide legal resources for the residents to redress violations.

• It is highly unusual for a mobile home rent stabilization program and parks with accords to simultaneously exist.

In California, 95 cities and/or counties have a mobile home rent stabilization program, and approximately eight cities use accords. Of all the identified cities with MOUs, only one, the City of Modesto, has both an accord program and a mobile home rent stabilization program. The Modesto MHRSO and MOU were adopted concurrently and most, if not all, mobile home park owners signed the accord, meaning that no parks fall under the MHRSO.

In Sunnyvale, park owners, as well as residents, were motivated to reach an agreement on an accord beforehand because the City of Sunnyvale did not already have a rent stabilization ordinance. The park owners did not want rent stabilization, and the tenants had concerns about what would be included in a rent stabilization ordinance if one were adopted. As noted previously, Sunnyvale and one park owner signed an MOU that had limited modifications from the standard MOU used by the other 10 parks, due to unique circumstances.

Mountain View is in the opposite situation: it already has the MHRSO. Therefore, residents are unlikely to be motivated to work on an accord because they already have robust protections in place. Residents may also be unlikely to approve an accord that is less protective than the MHRSO.

In summary, the following are the administrative challenges of leaving in the exemption for accords in the MHRSO:

- Each accord would potentially need to be evaluated as they are submitted, creating uncertainty and a complex and time-consuming evaluation process.
- Fees would need to be charged to administer each accord and would need to be at least at the same levels of the MHRSO fees.
- It would be difficult to administer the MHRSO, and potentially multiple accords, without increasing staffing and resources.
- Accords may undermine the MHRSO, especially if there are multiple accords providing different levels of resident protection.
- Accords would need to be monitored and enforced.
- Accords would need a fair voting process, which should be overseen by the City. This would add administrative costs.
- The City would have to be willing to enforce an accord and dedicate resources to enforcement. Residents are typically third-party beneficiaries with the right to enforce the agreement, but typically residents do not have the resources to bring court actions.

FISCAL IMPACT

There is no fiscal impact to amending the MHRSO and removing the exemption for parks with approved accords.

CONCLUSION

Staff facilitated a stakeholder process for park owners and mobile home residents to develop a single, comprehensive model accord. The process did not yield such an accord. Due to the

Mobile Home Rent Stabilization Ordinance—Amendment Related to Accord or Memorandum of Understanding Exemption

June 28, 2022

Page 16 of 17

complexities and cost associated with administering accords in parallel with the MHRSO, as well as the potential for accords to undermine the MHRSO itself, it is recommended that the Ordinance be amended to remove the exemption for parks with approved accords.

ALTERNATIVES

- 1. Do not amend the MHRSO, but direct staff to develop regulations clarifying that any future accord to be considered by the City be a single, comprehensive model accord and include voting procedures for resident approval of an accord and necessary fees to implement the accord, monitoring program, and legal resources fund.
- 2. Provide other direction.

PUBLIC NOTICING

Agenda posting, publication in the *Daily Post Journal*, and physical courtesy notices mailed to all mobile home park owners and residents. Notice and copy of the report emailed to all

stakeholders who participated in the model accord process and who signed up to receive updates through the City's interest list regarding this topic.

Prepared by: Approved by:

Wayne Chen Aarti Shrivastava

Assistant Community Development Director Assistant City Manager/

Community Development Director

Approved by:

Kimbra McCarthy
City Manager

WC/4/CAM 821-06-28-22CR 201920

Attachments: 1. Ordinance Amendment

- 2. Invitation Letter to Participate in MOU Stakeholder Process
- 3. Sunset Estates Proposal
- 4. Sahara Mobile Village/Santiago Villa Proposal
- 5. Resident MOU Submittals