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**mobile home housing element input; need to modify the AGA to 3/60/0**

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**From** runner\_dude <christopher\_cms@yahoo.com>

**Date** Wed 10/30/2024 11:11 AM

**To** Chen, Wayne <Wayne.Chen@mountainview.gov>; van Deursen, Anky <Anky.vanDeursen@mountainview.gov>

**Cc** Jim Schwartz <embamba@protonmail.com>; Anna Marie Morales <annamarie.morales@gmail.com>; Elie Sfeir <eelisfe@gmail.com>; Susanq.morales@yahoo.com <Susanq.morales@yahoo.com>; Showalter, Pat <Pat.Showalter@mountainview.gov>; Ramirez, Lucas <Lucas.Ramirez@mountainview.gov>; Ramos, Emily Ann <Emily.Ramos@mountainview.gov>; Hicks, Alison <Alison.Hicks@mountainview.gov>; Kamei, Ellen <Ellen.Kamei@mountainview.gov>; Abe-Koga, Margaret <Margaret.abe-koga@mountainview.gov>; Matichak, Lisa <Lisa.Matichak@mountainview.gov>; City Council <City.Council@mountainview.gov>

1 attachment (7 KB)

mobile home input - housing element - aga modification.txt;

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Dear Wayne and Anky:

Thank you for your presentation to the Mountain View Mobile Home Alliance on Saturday, 10/26/24, regarding modifications to the MHRSO.

Please accept the attached as input from the 100's of renters of Mountain View's mobile homes who feel the current AGA regime needs to be modified.

We are proposing **60% of CPI, a 3% CAP, and no floor** (3/60/0 vs the current 5/100/2 regime).

The attached provides our detailed rationale and data in support of our request.

Thank you.

Sincerely

Anna Marie Morales (sahara mobile village)

Susan Morales (sahara mobile village)

Jim Schwartz (sahara mobile village)

Christopher Saleh (sahara mobile village)

... and 100's of others

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Dear Anky and Wayne:  
CC City Council:

Thank you for your presentation to the Mountain View Mobile Home Alliance on Saturday, 10/26/24, regarding modifications to the MHR50.

As some of the longest residing renters in Mountain View's mobile home parks (some of us over 17 years) we'd like to reinforce the messages you heard on Saturday.

Namely ...

1) The current AGA structure is not working.

Renters have experienced a cumulative increase of 12.9% over the last 25 months (5% + 5% + 2.4%).

This is on top of rents that are already the highest in the country. Some renters are paying \$4000 a month. They are potentially facing rents approaching \$11,000 a month in 20 years if inflation is re-ignited and the 5% cap is not altered.

In short, the current model is simply not sustainable and it is already failing at it's goal of keeping people housed.

2) We need a new AGA.

We are proposing a new AGA of:

- \* 60 % of CPI
- \* a 3% CAP
- \* with no floor

3) Landlords will balk at changing the AGA.

Landlords may claim that rent control is hurting them and that they won't survive with a lower AGA.

But here's the truth.

Look at how the current legal regime sustains an ongoing windfall for landlords.

Under current federal, state, and local law, landlords receive:

- the benefits of Prop 13, which caps the increase in the assessed value of their properties at 2% annually,
- they receive tax deductions on their tax returns which are not available to renters,
- they receive preferential treatment on mortgages which are not available to folks who don't own land,
- they are guaranteed a current 2% AGA floor, which they can pass on to renters, even in a deflationary environment
  - or in a market with high vacancy rates, and
- they can take advantage of a built-in-mechanism in the current rent control law which allows landlords to request
  - rent increases beyond the AGA if they feel they are making insufficient profit ...

Think about that for a minute ...

There is not a single industry or market segment anywhere in the country that receives such a comprehensive set of guarantees ... Mountain View landlords receive this windfall which is not available to any other industry.

And what if the economy tanks ?? It doesn't matter. Landlords still receive this windfall.

And why should landlords have one of their major expenses, property taxes, capped at 2% while renters have their major expense, which is rent, capped at 5% ? How is that at all fair ?

4) Renters lost the benefit of concessions with the MHRSO.

Upon enactment of the MHRSO, renters lost the one benefit they had previously received from landlords. Namely, as a result of the MHRSO, landlords have eliminated all concessions and long term leases for renters which historically resulted in lower rents for residents.

As landlords will happily tell you and as they have told us in no uncertain terms ... "this is what you get for fighting for rent control".

5) Help is needed before the next AGA cycle.

Ensure that the new AGA (60% of CPI, 3% CAP, no floor) is in place for the next AGA adjustment cycle which is scheduled for 09/01/25.

6) We are not alone in this request.

Antioch and Richmond, recognizing this problem of out-of-control too high rents, recently passed a rent control ordinance with an annual CAP of 3% or 60% of CPI, whichever is less, with no floor.

And there are numerous rental communities throughout the State (Santa Ana, Inglewood, Beverly Hills) with similar AGA's. So Mountain View would not be blazing a new trail here. Concord is also looking at a 3% or 60% of CPI regime.

And here's the kicker.

Mountain View has higher rents than any of these communities, compounding the ill effects of our current high AGA cap, meaning the urgency to lower the AGA is even greater here.

7) We started with a base rent that was and is too high.

Mobile home residents are starting with "controlled" rents that are already too high because our base rent was set 6 years after the base rent allowed by the CSFRA. How is that fair? The only way to remedy this is to adopt the new AGA model we are recommending.

Usually, rent control helps long-term residents. That's not the case in Mountain View. People that have been in their homes over 17 years are still paying "market rates". In some cases, residents are paying higher than "market rates" even with rent control due to landlord's insistence on passing along the maximum allowable increases, irrespective of market conditions. And landlords are able to do this because they know they have a captive audience ... as moving and relocating because of high rents for seniors, the disabled, and families is difficult if not impossible.

Effectively, the high AGA allowed by the MHRSO is a legal "freebie" to landlords giving them permission to raise rents without regard to market conditions or the length of time the resident has been in their home.

Landlords have explicitly told us their intent is to raise the rents every year to the maximum allowed by law, irrespective of market conditions. This is not sustainable long-term. And they have even stopped doing market studies and don't offer rent increase relief to long-term residents. As a result, long-term renters pay as much as if not more than new renters.

8) We are Seniors, disabled folks, families with kids, folks on fixed income, blue collar workers, and more ... the kind of Community Mountain View wants and needs.

Did you know that two of Mountain View's 6 parks are senior parks? And Sahara Village used to be a senior park. We had two Senior families leave recently due to escalating unsustainable rent increases.

You can help fix all this with a simple AGA modification.

In closing, let us say "thank you for your efforts and hard work on this critical issue" and please ensure that your office incorporates this info into your analysis and presentation and recommendation to City Council.

Residents are counting on you to recommend modifying the AGA to 60% of CPI, a 3% CAP, and no floor. (we are calling this 3/60/0)

It's critical that we get this AGA improvement implemented for the next AGA cycle and we appreciate your efforts at making that happen!

Sincerely,

Anna Marie Morales (sahara mobile village)  
Susan Morales (sahara mobile village)  
Jim Schwartz (sahara mobile village)  
Christopher Saleh (sahara mobile village)

and 100's of others we interact with daily in our Community who want to stay in their homes and who maintain the current AGA model is simply too high and not sustainable.

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## Mobile Home Park Owner Stakeholder Meeting Follow Up

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**From** Ken Kravenas <KKravenas@hometownamerica.net>

**Date** Wed 12/4/2024 9:19 AM

**To** van Deursen, Anky <Anky.vanDeursen@mountainview.gov>; Chen, Wayne <Wayne.Chen@mountainview.gov>

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Anky and Wayne,

Thank you for the time on November 7<sup>th</sup> to discuss the Mountain View RSO. As I mentioned during the call, the data of the various RSO's in the Bay Area that you presented clearly show that the rent increases allowed under the Mountain View MHRSO are consistent with or less than comparable jurisdictions with rent stabilization for mobile home parks.

Mountain View residents have benefited greatly from the MHRSO as written. Rent increases are predictable and have been lower than COLA. Home values have appreciated yet remain attainable compared to sales of traditional (fee simple) homes. Most importantly, have not experienced an increase in delinquency or non-payment issues, and thus have not seen an increase in housing instability.

I appreciate you listening to other concerns that I raised during the call. It is important that the MHRSO balances resident protection while allowing community owners to generate a reasonable return on investment. Limiting rent growth more than what is currently allowed could lead to increased housing instability and displacement as owners must resort to filing hardship applications which could lead to significant rent increases. Below is the link the City of San Jose's website where they post past mobile home petition decisions. The Oakcrest petition was for \$185.33 per site per month over the 3% allowed in the ordinance. The residents and the community owner settled for a \$72 per site per month increase that was phased in over three years.

<https://www.sanjoseca.gov/your-government/departments-offices/housing/mobilehome-residents-park-owners/past-mobilehome-petition-decisions>

Thank you again for your time. Please feel free to reach out to me if you have any questions.

**HOMETOWN AMERICA**  
COMMUNITIES.

**Ken Kravenas**

Chief Operations Officer, Corporate

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