

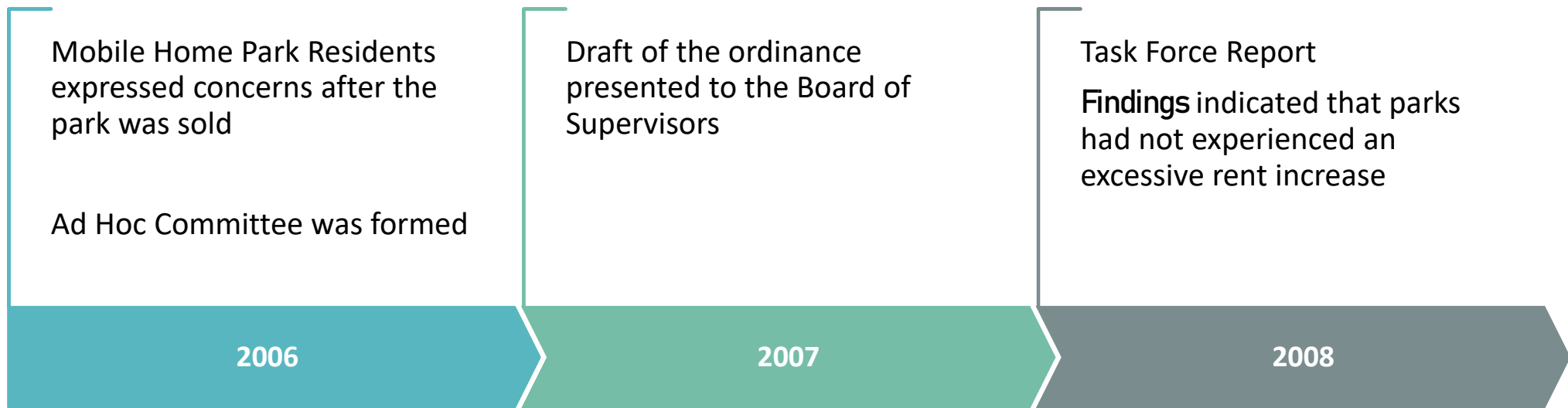
**ATTACHMENT A**



# **Mobile Home Park Rent Stabilization**

October 24, 2023

# Background 2006 - 2008



# Mobile Home Parks in Yolo County

Park Name	Location	Type	Cost Per Space	MH Spaces
WAYSIDE TRAILER VILLAGE	Knights Landing	All ages	No info online	8
DUNNIGAN MHP	Dunnigan	All ages	No info online	40
COUNTRY FAIR ESTATES	Dunnigan	All ages	\$695	171
COUNTRY VILLA MOBILE ESTATES	Esparto	55+ community	\$475 - \$725	90
DAVIS CREEK MHP	Davis	All ages	Each mobile home leased for \$1,675	170

Staff was made aware of rental increases that could be affecting the tenants.

# Calculation Process

- **Consumer Price Index (CPI)**
  - Measures the average change over time for the prices paid by consumers
  - CA CPI updated in February, April, and June
- **Net Operating Income (NOI)**
  - Net Operating Income = (Gross Operating Income + Other Income) - Operating Expenses
- **Calculate Cost-of-Living Adjustments (COLA)**
  - US Social Security Administration (SSA) beneficiaries

# State Laws

- CA is the only state that has rent control caps and city-specific laws
- California Mobilehome Residency Law
  - 1979
  - Enables local governments to establish or uphold rent control ordinances, regulations, or rules
  - Outlines the rights and responsibilities of mobile residents and park owners
    - Evictions and Protections
  - Effective until January 1, 2030
- Tenant Protection Act of 2019 (AB 1482)
  - Caps rent increases at 5% plus CPI, or 10%, whichever is lower on some residential properties
  - Does not apply to Mobile Home Parks
- Assembly Bill 978 (2021): Rent control for mobile home parks located in two or more cities
  - Civil Code §798.30.5 provides a potential template to limit rent increases to 5% in 12 months
  - AB 1035 (pending 2-year bill) – if passed, proposes to implement broader mobile home rent caps, but on hold due to litigation challenging AB 978's rental control provisions

# City of Woodland Rent Ordinance Summary

- Manufactured Home Fair Practices Commission
  - 5 regular members and 2 alternates
  - Must be residents of Woodland, serve a three-year term, and cannot be a mobile home homeowner or park owner/manager
- Space Ceiling adjustments
  - Space rent ceiling date January 1, 1996
  - Annual Date is April 1<sup>st</sup>
  - **Permissive adjustments** on an annual basis of **no more than 3%** or an increase equal to **75% of the percentage increase in the CPI** during the full 12 calendar months
  - CPI for all urban consumers in the west urban area
  - **NOI Adjustment**
    - “In the event a park owner believes he or she would not receive a just and reasonable return on his or her investment in the park after receiving the maximum permissive... A park owner may file an application with the Commission for an alternative adjustment of the space rent ceiling based upon the park’s net operating income (NOI).”
  - Fair Return Hearing: is a public hearing where the park owner presents evidence of whether a special adjustment is adequate

# Local Counties

Name of the county	What is their approach?	Policies they have for capping rent increases
<b>Butte</b>	The presentation took place at the Board of Supervisors Meeting on October 11, 2022. Considered a MOU instead of an ordinance. The Board recommended further research on the issue before deciding if an ordinance or MOU would be more appropriate.	No Rent Ordinance
<b>Colusa</b>	No information found	No Rent Ordinance
<b>Lake</b>	MOU in 2008 with Park owners. In 2013, the Board approved the initiative to be on the ballot in November 2014 for senior Mobile Home Parks. The county was sued, as well as the city of Lakeport. The judge ruled that the rent control initiative was unconstitutional and could not be on the ballot.	No Rent Ordinance
<b>Napa</b>	No information found	No Rent Ordinance
<b>Sacramento</b>	No information found	No Rent Ordinance
<b>San Joaquin</b>	No Information found	No Rent Ordinance
<b>Solano</b>	No Information found	No Rent Ordinance
<b>Stanislaus</b>	No Information Found	No Rent Ordinance
<b>Sutter</b>	No information found	No Rent Ordinance
<b>Yuba</b>	No information found	No Rent Ordinance

# Recommendation for the Board

- ▶ Staff seeks Board direction on the next steps, including further analysis and interest in identifying a recommended regulatory structure.
- ▶ Board to consider the formation of an Ad Hoc Subcommittee to further review and analyze the issue and return with any findings and/or recommendation(s).

**THANK YOU!**