



Mobilehome Space Rent Stabilization Ordinance

Frequently Asked Questions

1) When does this ordinance take effect?

July 3, 2019

2) What does “Base Rent” mean? Does this mean that the allowable space rent is what was charged July 2018?

Yes. The Base Rent is the rent that was charged on July 1, 2018. The space rent a Mobilehome Owner can be charged may be adjusted annually by no more than either 4% or the annual percentage change in the Consumer Price Index (“CPI”), **whichever is less**. In addition, a Mobilehome Park Owner may charge special rent increases under certain circumstances (i.e., Fair Rate of Return request, Capital Replacement and Capital Improvement pass-throughs) and those special increases must be approved by the City.

3) May a Mobilehome Owner’s space rent be raised above the Base Rent during the 2019 calendar year?

Yes. Pursuant to Municipal Code section 4-39-212 , beginning in 2019, a Mobilehome Park Owner may impose a rent increase for a Mobilehome Space of no more than four percent (4%) or the annual percent change in the CPI, whichever is less. In accordance with the requirements of the Ordinance, the City has determined that the CPI for 2019 is 3.9%. Accordingly, a Mobilehome Park Owner may impose a rent increase for a Mobilehome Space of no more than 3.9% above the Base Rent. Any rent increase must be properly noticed in accordance with the requirements of the Ordinance and California law. In addition, the rent for a Mobilehome Space may not be increased more than once in any twelve (12) month period, except in limited circumstances as specified by the Ordinance.

4) What mobilehome parks are subject to this Mobilehome Space Rent Stabilization Ordinance? (e.g. “since our park is a trailer park and not a mobile home park, we are not subject to this ordinance.”)

All mobilehome parks in the City of San Leandro are subject to the Mobilehome Space Rent Stabilization Ordinance. Mobilehomes that are covered under this ordinance are defined as:

- A structure designed for human habitation and that can be moved on a street or highway (e.g.: manufactured homes, trailers, RVs). The ordinance definition includes those RVs defined by California Civil Code § 798.3(b)(1) and (2):
 - Has a rental agreement with a term of 1 month or longer

OR

- Has occupied a space in a Mobilehome Park for nine or more continuous months



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5) **What is retaliation?**

Retaliation occurs when a Mobilehome Park Owner attempts to evict or otherwise takes action against a Mobilehome Owner exercising their rights. Retaliation is prohibited. The following conduct by a Mobilehome Park Owner will be considered unlawful under the Ordinance:

- Eviction of a tenant as retaliation for organizing, petitioning, or exercising rights under the Ordinance;
- Any retaliatory conduct, including threats to bring an action to recover possession of a mobilehome park space, harassment, unlawful mobilehome park space rent increases, or unlawfully imposing requirements.

6) **What charges in addition to rent are allowed? Are these charges considered rent increases?**

Article 3.5 of the Mobilehome Residency Law (California Civil Code § 798 et seq.), regulates what types of charges are allowed.

California Civil Code § 789.31 provides that a Mobilehome Owner shall not be charged a fee other than rent, utilities, and incidental reasonable charges for services actually rendered. For example, fees for pets cannot be charged unless the Mobilehome Park Owner is providing special pet services. Please consult Article 3.5 of the California Mobilehome Residency Law for more information.

7) **How many rent increases are allowed per year?**

Rent increases are allowed one time in a 12 month period.

8) **When can I expect the annual *Notice of Allowable Rent Increase*? Will it be sent the same time every year? Will it be the same CPI period every year?**

The Notice of Allowable Rent Increase is prepared by the City's Housing Services Division and will be posted by February 15 of each year in City Hall and on the City's Housing Services Division website. This notice will also be mailed and/or emailed by the City to each Mobilehome Park Owner and Affected Mobilehome Owners in each Park. Additionally, the Mobilehome Park Owner is required to post the Notice of Allowable Rent Increase on a publicly accessible location (e.g., mobilehome park community notice board) in each Mobilehome Park within three (3) business days after it is received by the Mobilehome Park Owner.

The annual rent increase can be no greater than either 4% or the annual percentage change in the Consumer Price Index ("CPI"), whichever is less. The Consumer Price Index or "CPI" means the annual percentage change in the prices paid by urban consumers for a representative basket of goods and services. For purposes of this Ordinance, the CPI is defined follows: All Urban Consumers, San Francisco-Oakland-



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Hayward, CA Area All Items, 1982-1984=100, as published by the United States Bureau of Labor Statistics of the United States Department of Labor. For the Notice of Allowable Rent Increase, the CPI for the current calendar year will be calculated as of December 31 of the calendar year immediately prior.

9) What are “Special Circumstances Households”?

A Mobilehome Owner may qualify as a Special Circumstances Household if it meets the following objective criteria and provides documentation to the Mobilehome Park Owner.

A) The Mobilehome Owner has a total household income that is below fifty percent (50%) of the Alameda County area median household income as established annually by the U.S. Department of Housing and Urban Development (HUD);

AND

B) At least one (1) member of the household is one of the following:

- Sixty-two (62) years or older; OR
- Disabled as defined by Title 42, United States Code § 423; OR
- Handicapped as defined by California Health and Safety Code § 50072.

Temporary special rent increases for capital improvements are capped at eight percent (8%) for Special Circumstance Households. Except for capital improvement pass-throughs, there are no special rules that apply to Special Circumstance Households.

10) Are there any exemptions to the Ordinance?

The following are exempt from the Ordinance:

- Newly constructed Mobilehome Spaces initially held out for rent after January 1, 1990.
- A Mobilehome Space upon which there is a Mobilehome that is not the principal or primary residence of the Mobilehome Owner.
- Signed rental agreements with a term of at least 12 months. The rental agreement must comply with all of the requirements of Civil Code § 798.17(b) to be exempt, including compliance with all applicable noticing requirements. The exception applies only while the rental agreement is active and has not lapsed.
- Mobilehomes or Mobilehome Parks owned or operated by any governmental agency.
- Any Mobilehome that is also a rental unit where the rent is subsidized pursuant to a public program that limits the rent that can be charged for the Mobilehome.
- Mobilehome Parks with fewer than 10 spaces.

11) Is Vacancy Decontrol of Mobilehome Units Allowed Under the Ordinance?



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Yes. Under § 4-39-215 of the Ordinance, a Mobilehome Park Owner may charge a new Mobilehome space rent beyond the space rent thresholds established under the Ordinance under the following circumstances:

- Voluntary in place sale or transfer of a Mobilehome which remains in place on the space or pad.
- Abandonment of the Mobilehome.
- In addition, in the following circumstances, a Mobilehome Park Owner may establish a new Base Rent as long as it does not exceed the 90th percentile of all subject rents in effect at the time the Space is rented per § 4-39-210 (C).
- Voluntary removal of a Mobilehome by the Mobilehome Owner who will no longer reside in the park.
- Vacancy occurring after the Mobilehome Park Owner obtains a judgement of unlawful detainer or other legal termination of tenancy.
- However, no increase in Mobilehome Space rent is allowed when the following events occur:
 - Mobilehome Owner replaces their mobilehome unit on the existing space.
 - Mobilehome Owner legally transfers title to existing lawful residents of the Mobilehome, or the Mobilehome Owner legally transfers title to a parent or parents, siblings, children, grandchildren, nieces or nephews.

12) What types of special space rent adjustments are allowed under the Ordinance?

The Ordinance allows Mobilehome Park Owners and/or affected Mobilehome Owners to request a special space rent adjustment once within any 12 month period. The requests are reviewed by the Rent Review Officer, and may be submitted for the following reasons:

- Rent increase in order to achieve a Fair Rate of Return;
- Temporary increase in rent based on a Capital Improvement Cost pass through;
- Temporary increase in rent based on a Capital Replacement Cost pass through;
- Rent reduction based on a reduction of services by the Mobilehome Park Owner.

Notification of the rent review application will be sent to the Affected Mobilehome Owner or the Mobilehome Park Owner (or its representative), as applicable. A copy of the rent review application must also be available for public review and copying in City Hall during normal business hours. Applications for rent review will be decided by the Rent Review Officer, which will be the Community Development Director or his or her designee, based on substantial evidence and without a hearing or personal appearances by any of the involved parties or their representatives. The Rent Review Officer's determination will be mailed and emailed to the affected Mobilehome Park Owner and



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the Mobilehome Owners, and if applicable, to their representatives. The Ordinance further specifies the procedures and requirements to apply for a special rent adjustment.

13) What is a Fair Rate of Return Request Mean?

A Mobilehome Park Owner has the right to obtain a rent increase as necessary to maintain net operating income equal to the Bay Year net operating income, adjusted by the change in CPI. The net operating income is determined by subtracting the Mobilehome Park Owner's operating expenses from its net operating income. In addition, the Rent Review Officer may approve any rent increase that is necessary to provide the Mobilehome Park Owner a fair return on its investment. Any such rent increases must be approved by the Rent Review Officer. The Ordinance further specifies the procedures and requirements to apply for a rent increase to obtain a fair rate of return or maintain net operating income.

14) Can the Rent Review Officer's Decision on a Rent Review Application Be Appealed?

Yes, the decision of the Rent Review Officer may be appealed. The appeal must be submitted within 30 days from the date the Rent Review Officer mails the decision to the Mobilehome Park Owner and affected Mobilehome Owners. For Mobilehome Owners to appeal a rent increase or pass-through, at least 25% of the affected Mobilehome Owners within the park must sign the appeal application.

All appeals will be heard by a Hearing Officer, who will be a licensed attorney and member of the California Bar. The Hearing Officer will be selected through the California Office of Administrative Hearings (OAH), or through the City Manager if the OAH is unable to provide hearing officers. The Hearing Officer must conduct a public hearing where both the Mobilehome Park Owner and Mobilehome Owners can attend and present their justifications.

15) What notifications must be distributed to new or prospective Mobilehome Owners?

Mobilehome Park Owners shall offer to prospective Mobilehome Owners with: a copy of the Ordinance, the current and proposed Base Rent for the Mobilehome Space, and any rental agreement options (including a notice that a lease with a term of more than one year will be exempt from the Ordinance). The Mobilehome Park Owner must obtain the prospective Mobilehome Owner's signature on a disclosure form. In compliance with the requirements of § 4-39-250.

16) Do Mobilehome Parks Need to Register with the City?

Yes, the Ordinance requires that Mobilehome Park Owners register with the City annually. The City will track contact information and the name of the legal entity, if any, that has an ownership interest in the Mobilehome Park. Additionally, the annual registration will require information including but not limited to current space rents.



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17) Are there any notification requirements when a Mobilehome Park is up for sale?

Yes, under § 4-39-237(B), the seller of the Mobilehome Park shall provide prospective Mobilehome Park purchasers a copy of the Mobilehome Space Rent Stabilization Ordinance.

Upon sale or transfer of the Mobilehome Park, the seller of the Mobilehome Park shall notify the Rent Review Officer and all Mobilehome Owners within the Park of the sale and the name and address of the buyer pursuant to § 4-39-237(D)

Within 10 days of the sale or transfer of the Park, the new Mobilehome Park Owner shall complete and submit a new Mobilehome Park registration form and applicable supporting documents to the City

18) What option does a Mobilehome Owner have when they are charged with an illegal space rent in excess of the maximum amount allowed under the Ordinance?

A Mobilehome Owner may refuse to pay any illegal rent in excess of the maximum rent increase amount authorized under the proposed Ordinance. Such unpaid rent in excess of the maximum rent increase permitted will be a defense in any action brought to recover possession of a Mobilehome Space for nonpayment of rent or to collect the illegal rent. The City recommends that a Mobilehome Owner consult with their own legal counsel to determine the legality of the applicable space rent.

19) Can certain space rent increases be implemented anytime during the year?

Per § 4-39-245, the following rent increases may be implemented anytime during the year: 1) government mandated expense pass-throughs, 2) utility pass-throughs, 3) capital improvement pass-through [approved by the City), and 4) in place transfer rent increases (e.g., eligible change of ownership of the Mobilehome Unit, which remains in its space).

20) Does the Ordinance address the space rent lease term for a new Mobilehome Owner?

All prospective Mobilehome Owners must be offered the option of a tenancy of 12 months or less upon terms consistent with the proposed Ordinance unless the Mobilehome Park Owner and the Mobilehome Owners mutually agree upon their own lease terms.

21) Does the Ordinance address Mobilehome Owner evictions?

Pursuant to § 4-39-234 (“Cause of Termination”) of the Ordinance, a Mobilehome Park Owner may not terminate or refuse to renew a Tenancy of an individual who rents a mobilehome space except for specific reasons. Those specific reasons are contained in the Mobile Residency law, Civil Code § 798.56. Examples of such reasons include the nonpayment of rent, failure of a resident to comply with a rule in a rental agreement, and conduct by the resident that constitutes a substantial annoyance to other residents. The



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Mobilehome Residency Law also includes specific requirements regarding the opportunity to correct a violation that must be provided to the Mobilehome Owner before an eviction can occur.

The ordinance applies the just-cause eviction provisions of the MRL to all individuals renting a mobilehome space, regardless of the structure located thereon. For example, the provision will apply to individuals who locate certain types of recreational vehicles, defined by the Ordinance, on mobilehome spaces. The proposed Ordinance's just cause eviction provisions apply to the rental of mobilehome spaces, but not the mobilehomes themselves.

22) What if I have questions related to the Ordinance that are not covered under this FAQ?

Please visit the City Housing Services Division website at:

https://www.sanleandro.org/depts/cd/housing/mobilehome_space_rent_stabilization_ordinance.asp

OR

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