CITY OF CHULA VISTA
MINUTES
MOBILEHOME RENT REVIEW COMMISSION

Monday, September 14, 2009 **CITY HALL**
6:00 P.M. **COUNCIL CHAMBERS**

CALL TO ORDER/ROLL CALL – 6:05 P.M. (Meeting provided in simultaneous Spanish translation)

PRESENT: Cesar Padilla, Joanne D. Clayton, Sam Longanecker, Steve Epsten, Pat LaPierre

ABSENT: Brett Davis (unexcused)

STAFF: Mandy Mills, Redevelopment & Housing Manager
Stacey Kurz, Senior Project Coordinator
Jose Dorado, Project Coordinator II

1. APPROVAL OF MINUTES

April 16, 2009
Member Clayton made a motion to approve the minutes. Vice Chair Padilla seconds the motion. All members agreed unanimously to approve the motion.

2. ELECTION OF NEW CHAIR AND VICE CHAIR FOR FISCAL YEAR 2009/2010

Member Clayton nominated Vice Chair Padilla for the Chair position for the new fiscal year. All Members voted unanimously (with the exception of Mr. Padilla who abstained from voting) to have Mr. Padilla to be Chair for the Mobilehome Rent Review Commission.

Member Epsten nominated Member Clayton as Vice Chair. Member Clayton declined the nomination. Member Epsten nominated member Longanecker as Vice Chair. Member Longanecker declined the nomination. All Members voted to table the election of Vice Chair until a future meeting of the Mobilehome Rent Review Commission.

3. PROPOSED MOBILEHOME CLOSURE ORDINANCE UPDATE

Staff Kurz provided a brief overview of a staff recommendation that will be taken to council on October 6th to establish a stakeholder committee of equal park owner and resident representation to review Chapter 9.40 of the Chula Vista Municipal Code, the Mobilehome Closure Ordinance. Staff Kurz stressed that at this time, staff is not proposing any changes to the ordinance, just for Council to establish a committee to review the ordinance.

4. WORKSHOP TOPIC: CHULA VISTA MUNICIPAL CODE CHAPTER 9.50

Staff Kurz provided a presentation on the rent review ordinance, see Attachment 1 for presentation. A handout was also provided to attendees, see Attachment 2.

Jack Doyle, representative of Rose Arbor and Caravan Mobile Home Parks indicated that should the commission consider future changes to CVMC 9.50 they would like vacancy decontrol to be considered. Mr. Doyle further indicated that had vacancy decontrol been in place Jade Bay Mobile Lodge may not have had to declare bankruptcy.

Member LaPierre refuted Mr. Doyle's comments indicating that Jade Bay Mobile Lodge had received change of ownership increases from the Commission, however could have brought their profit and loss statements forward to the Commission and declined.

5. STAFF COMMENTS

No staff comments.

6. MEMBER'S COMMENTS

Member Clayton submitted her resignation to the Commission for personnel reasons.

Chair Padilla requested that future presentations be provided to the Commission prior to the meeting. Staff Kurz indicated that would be possible.

7. ORAL COMMUNICATIONS

Patricia Lopez, resident of Bayscene Mobilehome Park refuted Mr. Doyle's comments.

Chair Padilla requested that all comments be directed to the Commission.

Steve Molski, resident of Terry's Mobile Home Park expressed his concern over rent increases given the current economy and fixed income of senior residents.

Barbara Nunnelee, former resident of Jade Bay Mobile Lodge refuted Mr. Doyle's comments.

8. ADJOURNMENT – Meeting was adjourned at 7:05 p.m.

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Recorder, Stacey Kurz

Attachments:

1. CVMC 9.50 Presentation
2. Handout Summary of CVMC 9.50

Mobilehome Rent Review Commission Workshop

September 14, 2009

City of Chula Vista

MOBILEHOME RENT REVIEW COMMISSION

City of Chula Vista

Municipal Code Chapter 2.31

Commission

- Members
  - Five (5) Voting
    - Voting members limited to two four-year terms (8 yrs total)
  - Max of three (3) general ex-officio, non-voting members
    - Term of four years, reappointed without limit of terms
    - One park resident and one park owner
- Role
  - Act as due process, unbiased decision maker regarding mobilehome park rent disputes
  - Advice Council on mobilehome parks

MOBILEHOME RENT REVIEW ORDINANCE

Chula Vista Municipal Code

Chapter 9.50

The Basics of the Ordinance

- Purpose
- Applicability
- Rent Increases
- CPI
- Monitoring

Purpose of Ordinance

(CVMC § 9.50.005)

- Process to Protect Owners and Residents from Excessive Rent Increases While Recognizing and Providing for Need of Park Owners to Receive a Just and Fair Return on their Property
- Prevent Existing Mobilehome Owners from Losing Investment & Resale Value of Mobilehomes Due to Excessive Rents Charged for New Residents

Purpose of Ordinance
(CVMC § 9.50.005)

- Protect & Promote Availability of Mobilehomes as Source of Affordable Housing
- Encourage Compliance with Code Requirements
- Procedures to Provide Mechanism for Resolution of Disputed Rent Increases

Applicability (CVMC § 9.50.012)

- Leases of one year or less
- All mobilehome parks, park owners, residents and mobilehomes within the City of Chula Vista
- Not applicable to leases in excess of 12 months
  - If lease meets requirements of Civil Code §798.17
  - Must include statement giving notice that rent control provisions of Chapter 9.50 will be superseded by lease

Space Rent Increases (CVMC § 9.50.050)

- Annual rent increase once a year consistent with the "annual permissive" rent increase
  - No right for review by City
- Rent increases in excess of the Annual Permissive
  - Notice to Residents
  - Right for review and decision by Commission

Space Rent Increases

- Written notice of increase to residents
  - Required for both Annual Permissive increase and increase in excess of Annual Permissive
  - 90 days prior to effective date
  - Copy sent to City Housing Division when increase is in excess of the Annual Permissive

Consumer Price Index (CPI)

- Annual Permissive based on CPI
- Increase in CPI published in February & August by Bureau of Labor Statistics (BLS)
  - City notifies park owners/managers
  - Post notification of CPI on site

Consumer Price Index

All Items Index for the San Diego Metropolitan Area

(As Published by the Bureau of Labor Statistics of the U.S. Department of Labor as of August 14, 2009)

Year	Percent Change		
	July & 1st Half *(Notice Given Mid Aug of Following Year)*	**Jan & 2nd Half** *(Notice Given Mid Feb of Following Year)*	**Annual Avg**
2005	3.3	4.0	3.65
2006	3.8	3.4	3.60
2007	2.3	2.3	2.30
2008	4.6	3.2	3.90
2009	-0.6		
Average	**2.68**	**3.23**	**3.36**

Annual Permissive Rent Increase

(CVMC § 9.50.050)

- Permissive Increase: 100% of the change in the CPI when the CPI is 3% or less; and 75% of that percentage change in the CPI above 3%
  - For example CPI = 5.7%. Base Rent = $400 per month.
    - Proposed Annual Permissive Rent Increase = Base Rent x (1 + (3% + (CPI-3% x 75%)))
    - $400 x 1.0525 = $ 420.10 new monthly rent
- Allowed Once Per Calendar Year

PLEASE POST

AUGUST 14, 2009

ATTENTION RESIDENTS
AN IMPORTANT NOTICE FROM THE CITY OF CHULA VISTA

THE CHANGE IN THE CONSUMER PRICE INDEX FOR THE SAN DIEGO COUNTY AREA IS -0.6% FROM THE FIRST HALF 2008 TO FIRST HALF 2009, PUBLISHED BY THE BUREAU OF LABOR STATISTICS OF THE U.S. DEPARTMENT OF LABOR ON AUGUST 14, 2009.

IN ACCORDANCE WITH SECTION 9.50.050 OF THE CITY OF CHULA VISTA MUNICIPAL CODE, "RENTS FOR MOBILEHOME RESIDENTS MAY BE INCREASED AUTOMATICALLY AND ONLY ONCE IN A CALENDAR YEAR BY NO MORE THAN THE PERCENTAGE CHANGE IN THE CPI, WHEN THE CPI IS THREE PERCENT (3%) OR LESS, AND 75 PERCENT OF THAT CHANGE IN THE CPI ABOVE THREE PERCENT (3%) TO BE KNOWN AS THE 'ANNUAL PERMISSIVE' RENT INCREASE."

THE ANNUAL PERMISSIVE RENT INCREASE IS CURRENTLY 0.0 PERCENT.

If you have any questions or would like a copy of Chapter 9.50 of the City's Municipal Code, please contact the City of Chula Vista Redevelopment & Housing at (619) 585-5600, option 1.

Annual Permissive Rent Increase Dispute (CVMC § 9.50.050(c))

- Provides procedure for a Resident to notify the Park Owner if he disputes increase.
- Park Owner has 10 days to meet with Resident ("Voluntary Meeting") and 30 days to respond in writing.
- If Resident & Park Owner unable to resolve, Resident may file complaint with City Housing Division within 30 days of Notice.
- If complaint filed, City can audit space rent to verify compliance with Code.

Rent Increases in Excess of the Annual Permissive

The Process

Rent Increase In Excess of Permissive for Current Residents

(CVMC § 9.50.063 – 9.50.070)

- Written notice of rent increase
  - 90 days prior to effective date
- Meeting between park owner and residents
  - 10 days after notice
- Park Owner and Residents may voluntarily reach agreement
- If no agreement reached, Residents have right to appeal increase to Commission
  - File request for hearing within 30 days of notice
  - Commission decision is applicable to all affected residents

Code Compliance

(CVMC § 9.50.079 – 9.50.082)

- Automatic physical inspection of the mobilehome/ trailer park
  - Applicable when proposed rent increase is in excess of the permissive
  - Based on Appendix Two of the Ordinance
    - Specific and narrow list of code violations which may create a serious health, safety and welfare hazard to the occupants
  - Inspection within 21 calendar days of notice
- Attempt to resolve code violations, if any, prior to the implementation of such rent increase
- Code violations to be considered in granting increase

Rent Increase Upon Change of Ownership or Space Vacancy

(CVMC § 9.50.077 – 9.50.078)

- May increase rent upon change of ownership of mobilehome subject to Chapter requirements
  - No rent increase with interspousal transfers
  - Not subject to physical inspection of park for Code Compliance
- If increase results in a total increase above annual permissive for calendar year
  - Park Owner must comply with notice requirements
  - Current or new resident has right to a hearing
- If space is vacant, Park Owner may increase space rent without regard to Chapter.

Process for Change in Ownership

Intent to Sell

- Resident provides written notice to Park Owner of intent to sell
  - Within 15 days of notice of intent, Park Owner to provide written statement of rental rate to be offered to buyer/new owner and % increase
  - Both current Mobilehome Owner & Park Owner must provide all new or prospective purchasers a copy of the written statement of rental rate
  - If rent is in excess of Annual Permissive, Park Owner must provide notice that increase is in excess of the annual permissive and whether the current owner completed the hearing process or reached agreement and right to review by the Commission

Process for Change in Ownership

Increased Rent

- Park Owner may update rental rate to be offered to the new resident every six months if MH is not sold
- Park Owner to provide copies of rent increase statements to City Housing Division when issued to Mobilehome Owners & Chair of Representative Body (if applicable)

Process for Change in Ownership

Pending Sale

- Resident provides written notice to Park Owner of pending sale, immediately upon acceptance of offer.
  - Within 15 days of notice of sale, owner to provide written notice of rental rate for new resident to the current resident, new resident, City, & Chair of Representative Body
- If increase results in rent in excess of annual permissive for calendar year, both current (seller) and new (buyer) resident have right to review by the Commission

Mediation of Purchase Price

(CVMC § 9.50.078)

- Potential purchaser has the right to mediate the purchase price, if contend that the purchase price is higher because of rent regulation
- Right to mediate mobilehome purchase price
  - Owner must post notice of Right to Mediate
  - Commission holds mediation
  - Purpose is to get parties to agree on price

Rent Increases in Excess of the Permissive

The Rent Review Hearing

Commission Hearing

- Increases in rent in excess of Annual Permissive
  - Existing tenants
  - Upon change in ownership

Request for Hearing

(CVMC § 9.50.066 – 9.50.070)

- Submit Request for Hearing form
  - City Housing Division
  - Within 30 days of notice of rent increase
  - Only 1 person needs to file on behalf of all affected residents
- Schedule Hearing within 30 days after receipt of form or as soon thereafter as practical
- City sends written notice to Park Owner & filing Residents of hearing time & place
- If hearing affects more than 50% of spaces at park, park owner must post notice of hearing

Factors to Consider (CVMC § 9.50.073)

- If a hearing is requested, Commission shall determine the rent that is fair, just & reasonable considering listed factors
- Commission may request information and documentation related to these factors which will assist them
- City or its designee shall review all evidence to be presented to the Commission

Factors to Consider

- Need for the proposed increase to allow Park Owner to secure a fair and reasonable return, considering rental scheme and expenses
- Rate of return in previous years, as determined by a fair market appraisal
- Resultant reduction in the resale value of mobilehome due to a proposed rental increase
- Changes in CPI for all urban consumers in SD Metro Area

Factors to Consider

- Fair market rental value as determined by comparables of similar spaces in Chula Vista and the South Bay area of SD County
- Timing and amount of rents and increases
- Quantity and quality of improvements and features at park and any decrease or increase
- Quantity and quality of services offered and any decrease or increase

Failure to Comply (CVMC § 9.50.075 (D))

- Resident fails or refuses to comply with procedures of Ordinance
  - Rent fixed as rent outlined within Notice
- Owner fails or refuses to comply with procedures of Ordinance
  - Rent fixed at the annual permissive rent increase

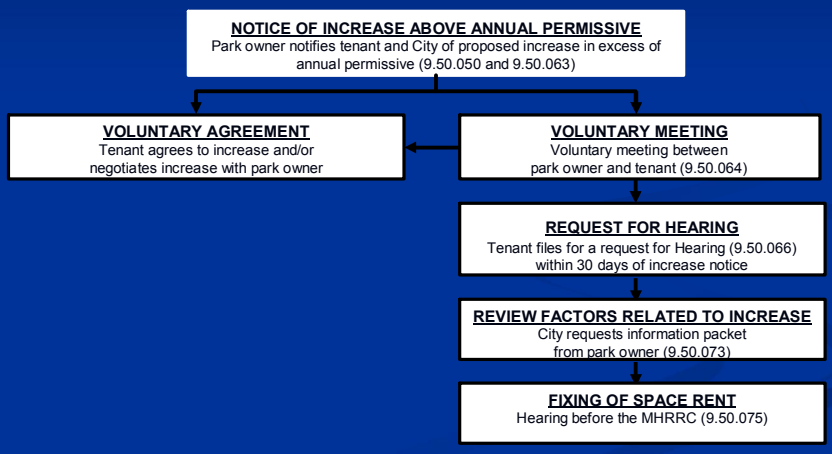
Fixing of Space Rent (CVMC § 9.50.075)

- Consistent with its findings, the Commission may:
  - Permit, in whole or in part, the increase which is in excess of the permissive
  - Deny the increase which is in excess
  - Cannot set rents lower than the pre-existing rent or higher than the increase contained in the Notice
- Effective date of Increase
  - Later of the date of Commission decision or 90 days after notice of increase
  - Commission may set different date

Fixing of Space Rent

- Conclusion of the Commission is final and binding to all parties
  - Any appeal/dispute of the findings and conclusions to be made through civil action and not to the Council
- If Resident & Park Owner reach agreement on space rent in excess of annual permissive rent, rent is fixed at agreed amount

Rent Review Process



City Contacts

Housing Division

Stacey Kurz, Sr. Project Coordinator

(619) 585-5609

Planning and Building Dept

JR Provencher, Sr. Code Enforcement Officer

(619) 476-2386

CITY OF
CHULA VISTA

MOBILEHOME PARK SPACE RENT REVIEW

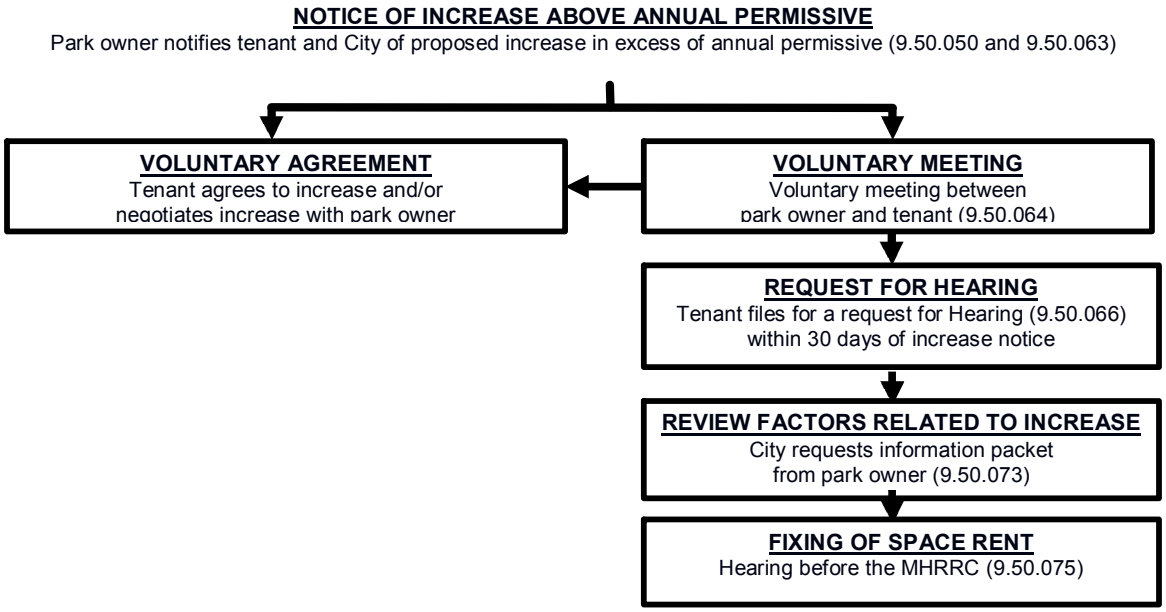
THIS HANDOUT IS FOR INFORMATIONAL PURPOSES ONLY. IT IS NOT INTENDED TO PROVIDE LEGAL ADVICE AND SHOULD NOT BE RELIED ON AS SUCH.

PLEASE REFER TO CHAPTER 9.50 OF THE CHULA VISTA MUNICIPAL CODE AND SEEK THE ADVICE OF COUNSEL IF YOU HAVE SPECIFIC QUESTIONS REGARDING YOUR LEGAL RIGHTS AND OBLIGATIONS.

First adopted in 1982, Chapter 9.50 of the Chula Vista Municipal Code ("CVMC") establishes a process to ensure that mobilehome residents and mobilehome park owners within the City of Chula Vista (the "City") are afforded a fair and equitable process for proposed rent increases. Chapter 9.50 outlines processes for dispute resolution between mobilehome residents and park owners including, but not limited to: (i) providing for notification of proposed rent increases; (ii) requiring meetings between residents and park owners; and (iii) allowing for the filing of petitions for hearings before the Mobilehome Rent Review Commission. The Ordinance applies generally to mobilehome park owners and current and prospective residents who have entered into leases of 12 months or less.

In general, park owners may increase rents once each year by a specified percentage of the current rent. This amount is related to the change in the Consumer Price Index and is also known as the "Annual Permissive Rent Increase." Park owners may propose a rent increase above the Annual Permissive Rent Increase by following the procedures set forth in CVMC 9.50. If a dispute arises between the park owner and the resident(s) affected by the proposed rent increase, any affected party may request the matter be heard by the City's Mobilehome Rent Review Commission. Please refer to Chapter 9.50 for more details regarding the noticing and hearing processes.

A copy of Chapter 9.50 should be posted at all of the City's mobilehome parks and is available at the City's Housing Division. If you have any questions, please call us at (619) 585-5600.



CITY OF
CHULA VISTA

REVISIÓN DE RENTAS DE ESPACIO PARA PARQUES DE CASA MÓVIL

(Referencia al Capitulo 9.50 del Código Municipal de Chula Vista)

ESTE FOLLETO ES SOLAMENTE PARA PROVEERLES INFORMACIÓN. NO ESTA ESCRITO COMO UN CONSEJO LEGAL Y NO DEBE DE APLICARSE COMO TAL.

FAVOR DE REFERIRSE A EL CÓDIGO MUNICIPAL DE CHULA VISTA, CAPITULO 9.50 Y SOLICITE CONSEJO LEGAL SI USTED TIENE PREGUNTAS ESPECIFICAS SOBRE SUS DERECHOS Y OBLIGACIONES.

El Código Municipal de Chula Vista, Capitulo 9.50, fue adoptado en 1982. En general, el Capitulo 9.50 proporciona un proceso para asegurar que los inquilinos y los dueños de parques de casas móviles dentro de la Ciudad de Chula Vista (la "ciudad") sean otorgados un proceso justo en el aumento de rentas. El Capitulo 9.50 delinea el proceso para una resolución entre los inquilinos y los dueños de casas móviles incluyendo, pero no limitado a (i) notificación de el incremento propuesto, (ii) requiriendo reuniones entre los inquilinos y los dueños de parques de casas móviles (iii) permitir peticiones para audiencias frente a la Comisión de Revisión de Rentas Para Casas Móviles. La Ordenanza se aplica generalmente a dueños de parques de casas móviles e inquilinos actuales y futuros de casas móviles con contratos de renta de 12 meses o menos.

Por lo general, dueños de parques de casas móviles pueden incrementar las rentas una vez por año por un porcentaje de la renta actual. Esta cantidad esta relacionado con el cambio del Índice de Precio de Consumidores y también es conocido como el "Incremento Permisivo Anual de Rentas". Dueños de parques de casas móviles pueden proponer un incremento de renta más alto que el "Permisivo Anual" siguiendo los procedimientos escritos en El Código Municipal de Chula Vista, Capitulo 9.50. Si un desacuerdo proviene entre el dueño de parque y el/los inquilino(s) afectados por el propuesto incremento de renta, los afectados pueden solicitar el caso sea escuchado por la Comisión de Revisión de Rentas. Por favor de referirse al Capitulo 9.50 para mas detalles sobre la notificación y el proceso de audiencia.

Una copia del Capitulo 9.50 debe de ser figado en lugares visibles en todos los parques de casas móviles y esta disponible en el Departamento de Vivienda de la Ciuidad de Chula Vista. Si tiene preguntas, favor de llamar al (619) 585-5600.