



# CITY COUNCIL AGENDA STATEMENT



June 19, 2012, Item 11

**ITEM TITLE:** PUBLIC HEARING TO CONSIDER AMENDING THE CITY'S MASTER FEE SCHEDULE TO ADD CHAPTER 18 (MOBILEHOMES)  
  
RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA AMENDING THE CITY'S MASTER FEE SCHEDULE TO ADD CHAPTER 18 (MOBILEHOMES), INCLUDING SETTING THE FEE AT \$60 FOR FISCAL-YEAR 2013

**SUBMITTED BY:** DIRECTOR OF FINANCE/TREASURER *MR*  
ASSISTANT CITY MANAGER/DEVELOPMENT SERVICES DIRECTOR *SA*

**REVIEWED BY:** CITY MANAGER *AS*

4/5THS VOTE: YES  NO

### SUMMARY

Effective August 18, 2011, Section 9.50.030 established an Administrative Fee be assessed upon all eligible mobilehome residents that receive benefits and services under Chula Vista Municipal Code 9.50 ("Chapter 9.50") – Mobilehome Park Space Rent Review. The establishment of this fee was necessary in order to ensure a consistent funding source for implementation of the ordinance (which provides unique benefits and services solely to eligible mobilehome residents) and conform to the general city policy that the public at large should not subsidize activities of private interest. At this time, staff is bringing forward the Administrative Fee for adoption in the Master Fee Schedule, including setting the fee at \$60 for Fiscal-Year 2013.

### ENVIRONMENTAL REVIEW

The Director of Development Services has reviewed the proposed activity for compliance with the California Environmental Quality Act ("CEQA") and has determined that the activity is not a "Project" as defined under Section 15378 of the State CEQA Guidelines because the proposed activity consists of a governmental administrative action that will not result in direct or indirect physical changes in the environment. Therefore, pursuant to Section 15061(b)(3) of the State CEQA Guidelines the activity is not subject to CEQA. Thus, no environmental review is necessary.

## **RECOMMENDATION**

Council conduct the public hearing and adopt the resolution.

## **BOARDS-COMMISSION RECOMMENDATION**

Not applicable.

## **DISCUSSION**

On July 19, 2011 City Council approved various amendments to Chapter 9.50 including the establishment of an Administrative Fee to continue to provide mobilehome residents services and benefits available to them under the ordinance, which include, but are not limited to, a rent calculation which results in reduced rents and related ombudsman services.

Since collection of the fee requires significant cooperation by both park owners and residents, Council approved "Chula Vista Municipal Code 9.50 Mobilehome Park Space – Rent Review Administrative Fee Regulations" on February 14, 2012 that provides a process to collect the necessary data to assess the fee annually.

### Eligible Mobilehome Park Spaces & Outreach

This year's initial data collection process included significant bilingual outreach to answer questions related to the fee and assist residents with completion of an eligibility survey, at several parks and recreation centers. At this time staff has received data from over 1,600 spaces claiming eligibility for rent review services and is in the process of confirming such data with park owners. In order to be eligible three criteria must be met: 1) the coach/trailer is owned by the resident, 2) the resident has a valid space lease/rental agreement for a term of 12 months or less, and 3) it is the resident's principal residence.

Staff will continue to outreach with the assistance of the Chula Vista Mobile Home Residents Association to ensure all eligible residents register for services under Chapter 9.50 during the billing process. For purposes of calculating the fee staff is using 2,000 spaces as the base for Fiscal Year 2013 ("FY 13") covering the period of July 1, 2012 to June 30, 2013, anticipating additional residents will register eligibility over the next few months. If any surplus/deficit exists entering next fiscal year due to changes in eligibility, staff will adjust the fiscal year 2014 fee accordingly.

### Mobilehome Park Space – Rent Review Services

Historically, Chapter 9.50 administrative fee services consist of general ombudsman activities, Mobilehome Rent Review Commission ("MHRRC") meetings for informational and educational items, annual permissive rent calculations, and MHRRC hearings. In addition to these services, the ordinance amendments require confirmation of eligible residents and collection of the fee annually. A summary of the anticipated services to be provided under Chapter 9.50 are as follows.

#### *Ombudsman Activities & MHRRC Informational/Educational Meetings*

Staff will continue to provide general ombudsman related activities to residents and provide informational and educational meetings to the MHRRC. Past topics have included a review of the rent review ordinance process and park conversion to resident ownership.

*Annual Permissive Rent Calculations*

Twice annually the Consumer Price Index (CPI) is released and staff provides notification to all park owners and managers of the annual permissive rate as calculated under Section 9.50.050.

*MHRRRC Hearings*

A contingency must be established to ensure adequate funds are available should a rent review case come before the MHRRRC. Staff is budgeting for one existing resident case for FY 13, based on historical frequency of cases. Costs related to change of ownership (incoming/outgoing residents) cases are being excluded from the calculation since residents no longer have the right to petition a rent increase on sale (as of August 18, 2011). Additional expenses related to hiring of experts not previously covered are being budgeted in order to ensure fair return analysis, MAI appraisers, and translation specialists are available as needed.

Fiscal Year 2013 Mobilehome Park Space – Rent Review Administrative Fee

Staff conducted a review of the annual administrative expenses since 2002 in order to assess the anticipated cost for administering the ordinance. The ten year average annual staff cost to administer the ordinance is \$91,463. In years when ombudsman services were provided and the MHRRRC has heard one existing resident case the average is \$96,334.

The FY 13 budget is therefore being established at \$95,000 for staff administration and an additional \$25,000 for experts and fee administration, for a total FY 13 budget of \$120,000.

The Administrative Fee for FY 13 has been calculated at \$60 per eligible mobilehome space (based on 2,000 residents). This fee will be billed in July of this year with payments due in two installments of \$30 each by July 31<sup>st</sup> and November 29<sup>th</sup>, with a late fee of \$10 for payments received after these dates. Per the February 14<sup>th</sup> Administrative Fee Regulations, residents have a sixty (60) day grace period from the due date to make the first payment and retain benefits and services under Chapter 9.50. Ultimately only those residents that pay the fee are eligible for services, per Section 9.50.030(E).

Update on Joint Mobilehome Resident & Owner Meetings

On April 16, 2012 staff facilitated an initial joint meeting between the Chula Vista Mobilehome Park Owners Association (park owners) and Chula Vista Mobile Home Residents Association (residents) to discuss the establishment of ongoing voluntary meetings of the groups. The meeting was well attended and the groups have agreed to meet independently on an ongoing basis to discuss various issues. The first meeting will be to discuss safety concerns at mobilehome parks.

**DECISION MAKER CONFLICT**

City staff has determined that Councilmember Ramirez has property within 500 feet of a mobilehome park, but upon review of the scope of the proposed action, there is no conflict because any material financial effect is not reasonably foreseeable within the meaning of FPPC regulation 18706.

**CURRENT YEAR FISCAL IMPACT**

None.

### **ONGOING FISCAL IMPACT**

The administrative fee establishes a new fund for FY 13. The fee will be reviewed and updated as necessary, based upon prior year overages/savings and anticipated expenses for the following year. Approving the resolution amending the Master Fee Schedule establishes a Mobilehome Park Space Rent Review Administrative Fee, creating a mechanism to reimburse the City for all staff time and other costs associated with administering Chapter 9.50. Creation of the Administrative Fee allows the City to provide mobilehome park space rent review administrative services at no net cost to the City's General Fund.

Due to the timing of this report, the proposed FY 13 budget has not been updated to reflect the revenues or expenditures for this program. Staff will return to Council in FY 13 to request an appropriation for this fund.

### **ATTACHMENTS**

1. Master Fee Schedule

*Prepared by: Stacey Kurz, Senior Project Coordinator,  
Development Services Department, Housing Division*

 <p><b>CITY OF CHULA VISTA</b></p>	<p align="center"><b>MASTER FEE SCHEDULE</b>  <b>Chapter 18 - Mobilehomes</b>  <b>General Fees</b></p> <p>City of Chula Vista Development Services                  276 Fourth Avenue, Chula Vista, CA 91910</p>	<p align="center"><b>FEE BULLETIN</b></p> <p align="center"><b>18-100</b></p> <p align="center">June 2012</p>
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**MOBILEHOME PARK SPACE RENT  
 REVIEW ADMINISTRATIVE FEE**

An administrative fee is required of all households residing in eligible mobilehome spaces to receive the benefits and services provided in Chapter 9.50 of the Chula Vista Municipal Code, Mobilehome Park Space Rent Review.

The administrative fee is assessed annually, with semi-annual payments due July 30<sup>th</sup> and November 29<sup>th</sup>. Semi-annual payments shall be calculated at 50% of the annual fee. Payments received after these dates shall be considered delinquent and assessed a delinquent payment penalty, as detailed below.

- Annual fee, per mobilehome space..... \$60
- Semi-annual fee .....50% of annual fee
- Delinquent payment penalty, per occurrence .. \$10

RESOLUTION NO. 2012-\_\_\_\_\_

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
CHULA VISTA AMENDING THE CITY'S MASTER FEE  
SCHEDULE TO ADD CHAPTER 18 (MOBILEHOMES),  
INCLUDING SETTING THE FEE AT \$60 FOR FISCAL-YEAR  
2013

WHEREAS, California State Mobilehome Residency Law allows local jurisdictions to establish rent control; and

WHEREAS, in 1982, the City adopted Chula Vista Municipal Code Chapter 9.50, "Mobilehome Park Space – Rent Review," as allowed by Mobilehome Residency Law, and amended the Chapter to its current form on July 19, 2011; and

WHEREAS, the ordinance amendments took effect August 18, 2011 and established an administrative fee to provide a limited segment of the public, specifically mobilehome residents, per 9.50.030, the ability to obtain unique services and benefits available to them only under Chapter 9.50, including, but not limited to, a rent calculation (via the annual permissive and exceeding the annual permissive) which results in reduced rents and related ombudsman services; and

WHEREAS, on February 14, 2012 the City adopted "Mobilehome Park Space - Rent Review Administrative Fee Regulations" establishing a process for determining and collecting such fee; and

WHEREAS, the proposed fee does not exceed the estimated reasonable cost of providing the associated services; and

WHEREAS, Article XIII C of the California Constitution requires a vote of the electorate to increase any levy, charge, or exaction imposed by a local government, unless specifically exempted; and

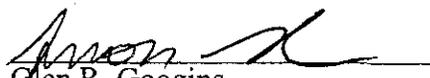
WHEREAS, pursuant to the provisions of Article XII C, the proposed fees are exempt from the vote requirement.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Chula Vista does hereby amend the City's Master Fee Schedule to add Chapter 18 (Mobilehomes) as reflected on Exhibit 1 to this Resolution and sets the fee at \$60 for Fiscal-Year 2013.

Presented by:

Approved as to form by:

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Gary Halbert, P.E. AICP  
Assistant City Manager/Director of  
Development Services

  
\_\_\_\_\_  
Glen R. Googins  
City Attorney



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Additional  
Info  
*Development S*  
*Depa*

# Mobilehome Rent Rev

## *CVMC 9.50 Administrative Fee A*

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June 19, 2012



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*Depa*

## **CVMC 9.5** **Recent Action**



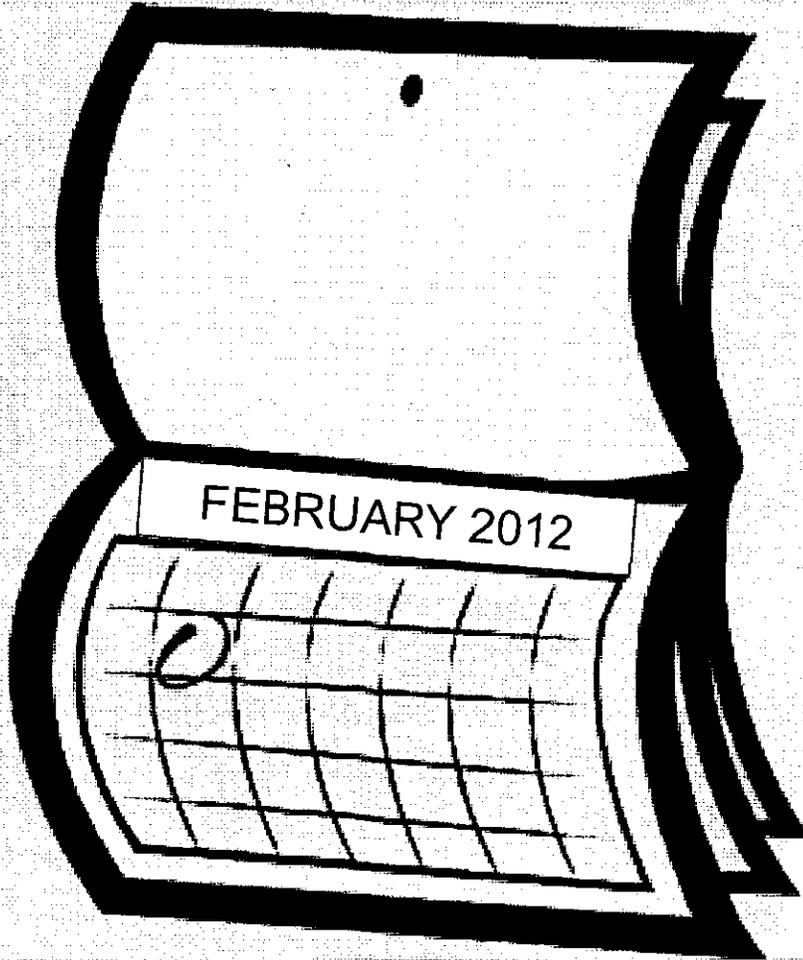
- CVMC 9.50 amended
- Section 9.50.030 established  
**Administrative Fee**
  - Create permanent funding source
  - Ability to hire experts



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## **CVMC 9.5**

### **Recent Action**



- "Administrative Fee R adopted
- Outlined data collecti



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## **Tonight's Action Administrative Fee**

- **Conduct Public Hearing to Consider**
  - Amend Master Fee Schedule to Add Chapter 18 (Mobilehomes)
  - Set fee at \$60 for FY 13 (July 1, 2012 – June 30, 2013)



## Resident Eligibility Criteria

- Coach/trailer owned by resident;
- Resident has a valid space lease/rental agreement for a term of 12 months or less; a
- Resident's principal residence

*Per Section 9.50.030 (E) "The provisions..shall apply..for a mobilehome space rent in which there is an unpaid administrative fee.."*



## Data Collection Process

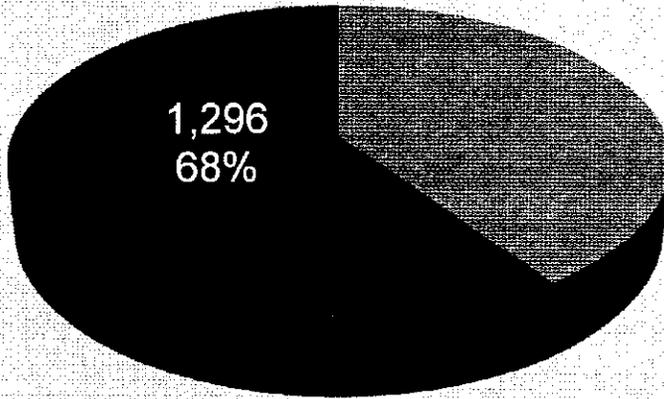
- Bilingual Direct Mailing
- Bilingual Outreach
- Ongoing until 10/1/12
  - All spaces receive billing
  - Information meeting 7/19/12



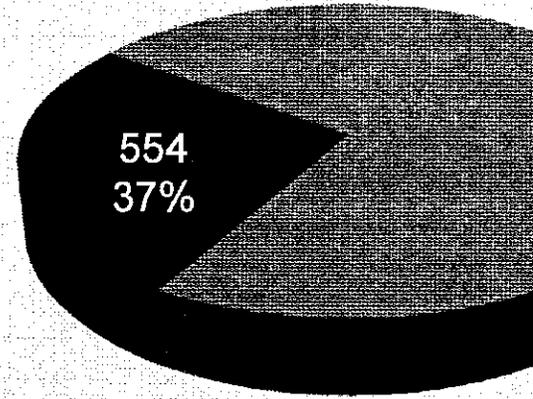


## Response Rates

**Senior**  
**1,903 Spaces**



**Family**  
**1,515 Spaces**



## Rental Agreement Types

- Short term
- Few sublease
- Variety short & long
- Subleases & park ov



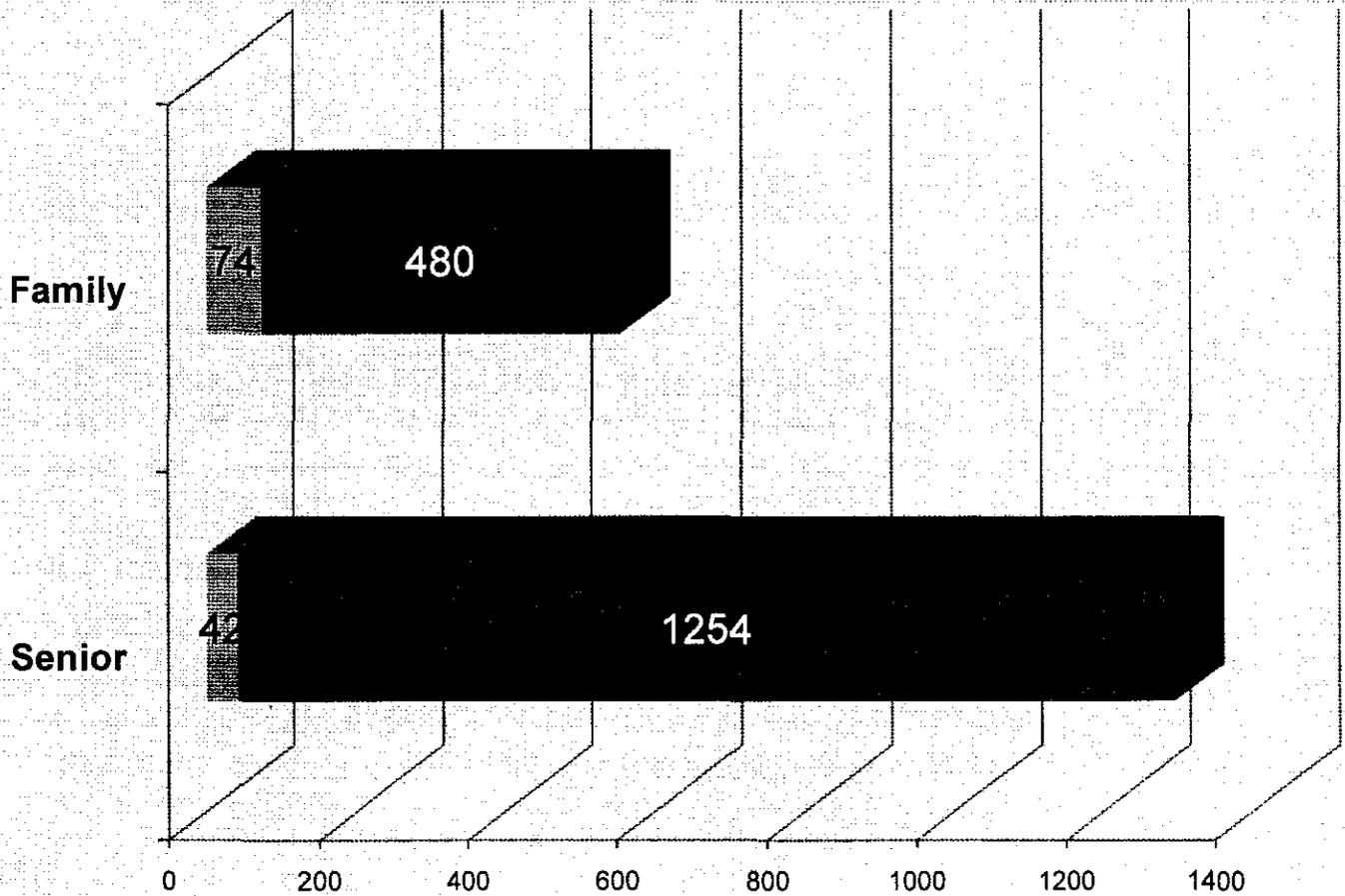
## **Eligibility Responses**

- As of 6/19/12 = 1,734 claim eligibility
  - Confirming with park owners
- Anticipated 2,000



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## Resident Eligibility Claims





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## **Mobilehome Services Provided**

- **Ombudsman Activities**
- **Annual Permissive Calculation**
- **Mobilehome Rent Review Commission**
  - Informational & Educational Meetings
  - Contingency for 1 case



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## **City Staff Cost**

- 10 Year Average \$91,463
  
- 1 Existing Case Average \$96,334

**Budgeted at \$95,000**



## **Other Anticipated Costs**

- **Expert**
  - Translation Services/ Fair Return Analysis/MAI Appraisals
- **Data and Fee Collection**
  - Annual Eligibility Verification & Billing

**Budgeted at \$25,000**





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# **Administrative Fee Calculation**

**July 1, 2012 – June 30, 2013**

Average of \$95,000 (1 case)  
+ \$25,000 (Administrative Fee & Experts)

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**\$120,000**

**÷ 2,000 = \$60 per eligible space**



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Depa*

## **Beyond Tonight's Action Administrative Fee**

- **Billing July 1<sup>st</sup>**
  - Due July 31<sup>st</sup> & November 29<sup>th</sup>
  - **Payments:**
    - Mail payment
    - Pay in person at Finance Department
      - Monday-Thursday 10am-4pm
  
- **For more information**
  - **MHRRC July 19<sup>th</sup> at 6pm in Council Chambers**
    - Payments will be accepted
  - **Call (619) 585-5600**