

Sonoma County Community Development Commission and County Counsel

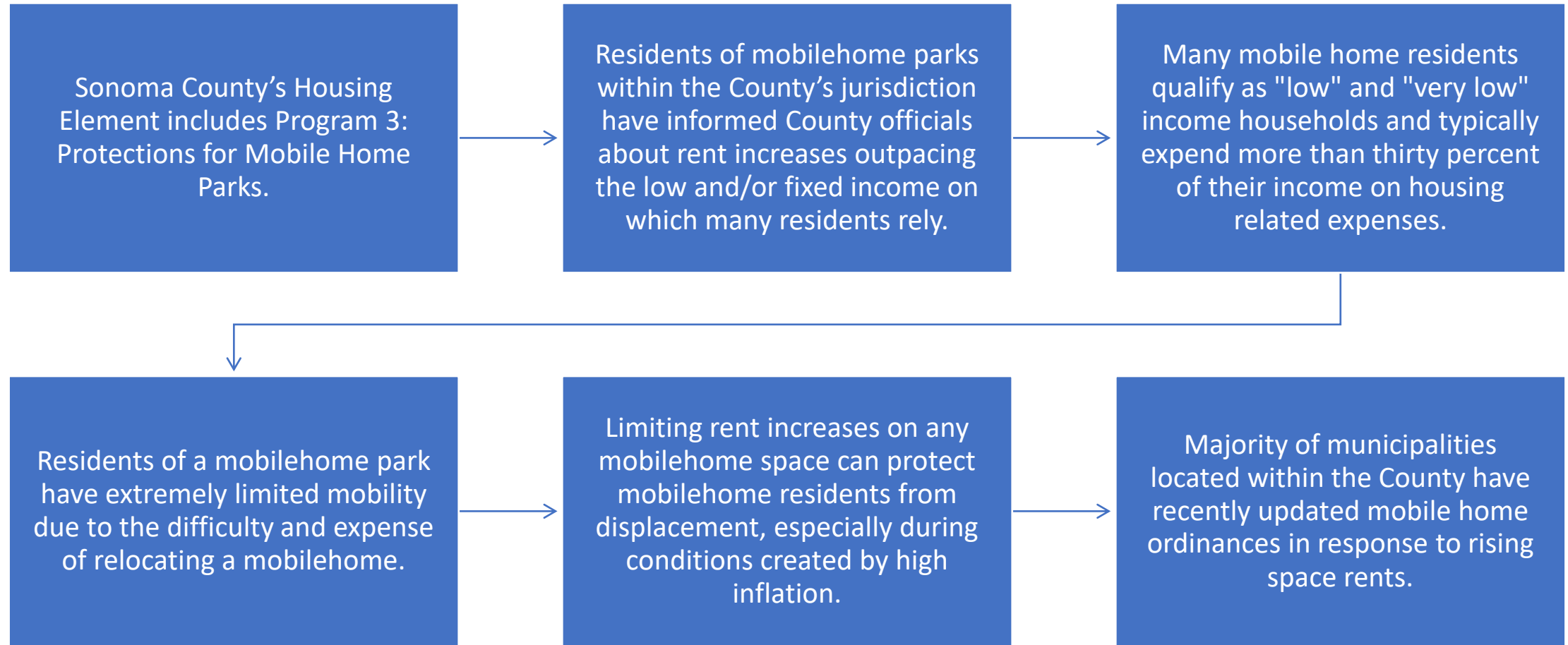


Consider Amendments to Chapter 2, Article XIX of the Sonoma County Code to Strengthen Mobilehome Park Resident Protections; Determination of CEQA Exemption.

Michelle Whitman, CDC Executive Director
Ethan Pawson, Deputy County Counsel
October 24, 2023



What Led Us Here?



Recent Board Direction and Action



August 15, 2023: Board directs CDC to return on August 22, 2023 with Urgency Ordinance to Create a Temporary Moratorium on Rent Increases on Mobilehome Spaces In the Unincorporated Area of the County.



August 22, 2023: Board adopts Urgency Ordinance Creating a Temporary Moratorium on Rent Increases on Mobilehome Spaces In the Unincorporated Area of the County



Moratorium effective through February 29, 2024, or the effective date of an ordinance amending Chapter 2, Article XIX of the Sonoma County Code, whichever is earlier.



Framework for Analysis

CDC's analysis was framed by options:

1. Maintain the current Mobilehome Rent Stabilization Ordinance without amending.
2. Amend the Mobilehome Rent Stabilization Ordinance to cap rent increases at [4% or 70%] of the CPI.
3. Amend the Mobilehome Rent Stabilization Ordinance to allow a [10%] rent increase on in-place transfers.



CDC Findings

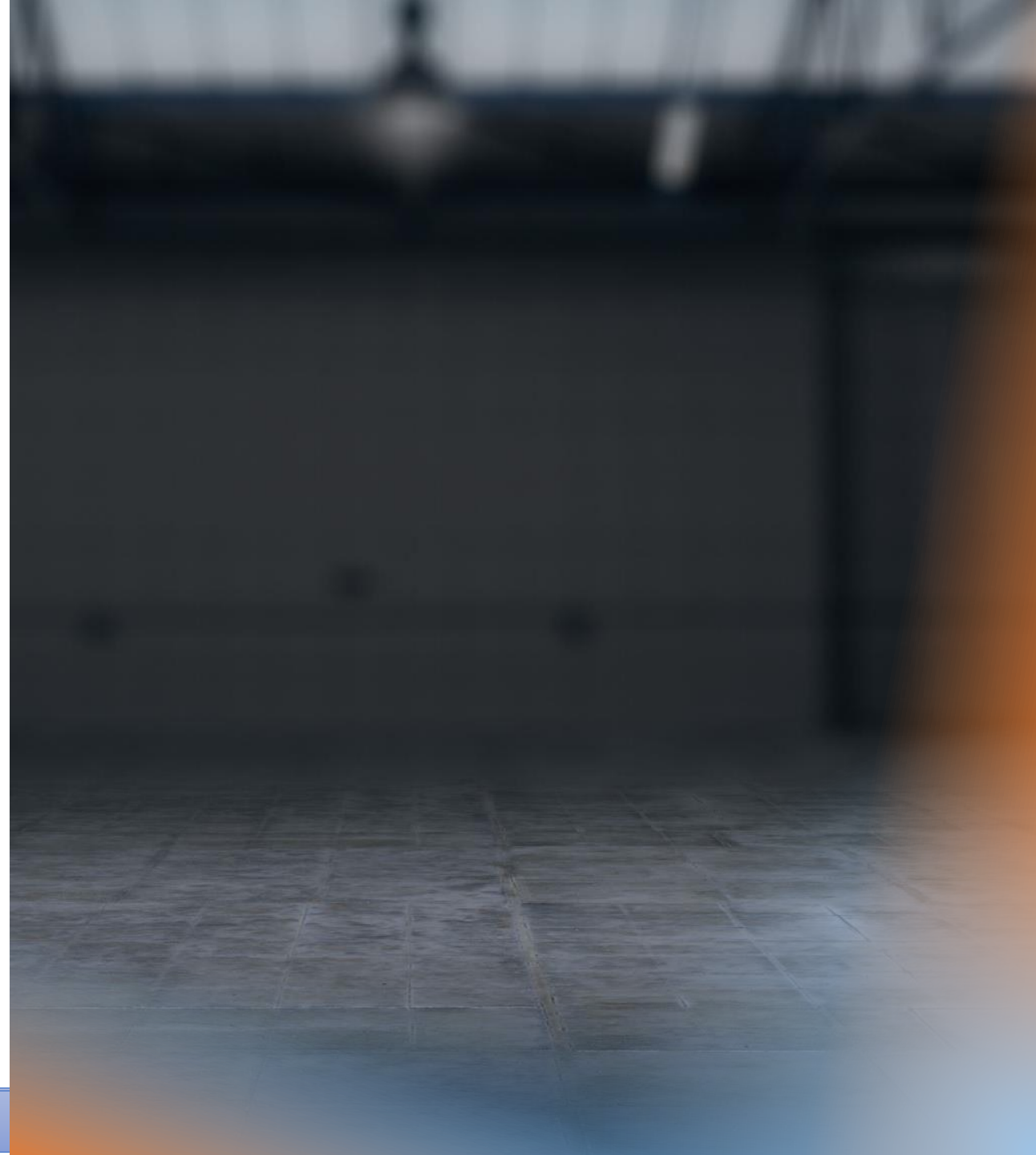
Public Entity	Rent Increase Cap	Vacancy Control	In-Place Transfer
Petaluma	4% or 70% of CPI, whichever is less	No cap if lawful vacancy	No increase allowed
Santa Rosa	4% or 70% of CPI, whichever is less	No cap if lawful vacancy	10% increase allowed
Windsor	4% or 75% of CPI, whichever is less	No cap if lawful vacancy	15% increase allowed
Sebastopol	3% or 75% of CPI, whichever is less	No cap if lawful vacancy	No increase allowed
Rohnert Park	4% or one-half of one percent less than the percentage increase in the CPI, whichever is less	Lawful vacancy not contemplated—no new base rent allowed. New construction exempted.	No increase allowed
Sonoma County	6% or 100% of CPI, whichever is less	No cap if lawful vacancy	No increase allowed
Cotati	6% or 100% CPI, whichever is less	No cap if lawful vacancy	No increase allowed
Cloverdale	Board Approves	None	No increase allowed
Sonoma	80% of CPI	No cap if lawful vacancy	5% increase allowed, with conditions



Vacancy Control and In-Place Transfer

Mobilehome park owner is permitted to charge a new base rent for a space whenever a lawful space vacancy occurs.

An in-place transfer occurs upon sale or transfer of a mobilehome onsite to a resident-to-be or current resident. The County's ordinance currently allows for no increase in the case of an in-place transfer.





Mobile Home Park and Resident Facts

Households with relatively low net worth are disproportionately represented among mobilehome park households.

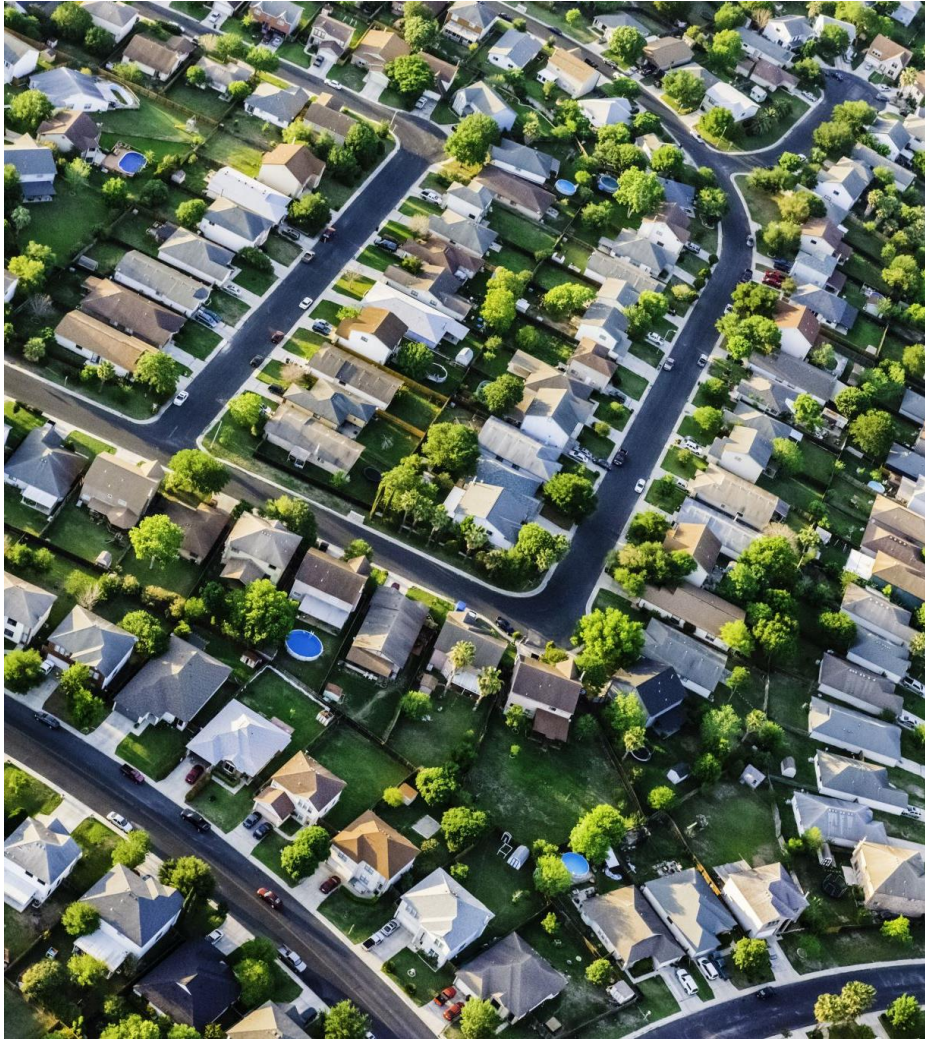
Median income for mobilehome households is half of those in conventional homes.

Elderly households are especially prevalent in mobilehomes, where a majority are headed by a retiree.

Mobilehome households are more financially insecure; the median net worth about one quarter of the net worth of households in conventional homes.

Source: Consumer Financial Protection Bureau





Mobile Home Park and Resident Realities

Once installed, most so-called mobile homes are never moved as relocation costs can exceed \$20,000.

Mobilehome owners are a captive class of tenant, typically with no option but to stay where they are even when space rents outpace a fixed and/or low-income household's ability to absorb cost of living increases.



Mobile Home Park Owner Perspective

Mobilehome park owners report rapidly rising costs, e.g. insurance, deferred maintenance.

Mobilehome park owners and industry representatives claim that restricting the ability to increase revenue directly threatens the stability and sustainability of mobilehome parks as expenses escalate faster than revenue.

Mobile home parks are seen as a good investment due to low tenant turnover, demand for affordable housing, superior returns, and lack of competition.

Long time mobilehome park owners report being sought out by speculators looking to buy parks, including in Sonoma County.



Staff Recommendations, Seeking Board Direction

Annual space rent payable for any MH space not to exceed seventy percent [70%] of the percent change in the Consumer Price Index; or [Four (4) percent], whichever may be less.

Upon an in-place sale of a MH on site to a tenant resident-to-be or current tenant resident, the MHP owner may increase the rent by an amount that does not exceed [10%] of the then current base rent.

Make ordinance language gender neutral and replace all instances of “tenant” with “resident.”

All written notices to residents to be provided in both English and Spanish.

Next Steps

Staff's recommended ordinance is presented for introduction and first reading at today's Board meeting, subject to your Board's modification or approval

Staff intends to return at the November 7 Board meeting for second reading and adoption.

After adoption, the ordinance shall be published once in the Press Democrat within 15 days of adoption.

Assuming the ordinance is adopted on November 7, the ordinance would be effective 30 days later on December 7, 2023.

Questions?

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