

Sonoma County Community Development Commission Listening Session with Mobile Home Park (MHP) Owners

Topic: Sonoma County Mobile Home Rent Stabilization Ordinance (MHRSO)

Location: Sonoma County Board of Supervisors Chamber/Zoom webinar

Date/Time: September 25, 2023, 1:00 PM – 3:00 PM

On September 25, 2023, Sonoma County Community Development Commission (CDC) held an informal listening session with Mobile Home Park (MHP) owners and advocates representing MHPs located in unincorporated Sonoma County. Of the Mobile Home Park owners and representatives invited to attend, seven were physically present and sixteen joined via Zoom. Invitations were mailed directly, and the Western Manufactured Housing Communities Association also reached out to invite owners. CDC Executive Director Michelle Whitman moderated the session. After a brief introduction, owners were invited to share their thoughts and concerns about amending Sonoma County's MHRSO.

Of the attendees, both physical and virtual, ten park owners and representatives chose to address CDC staff. MHP owners shared many of the same issues they had with the existing MHRSO and any coming amendments to that ordinance. Cited issues included rising operational costs, escalating fire insurance premiums in recent years. One owner stated that their insurance rates had climbed 67% in the last few years. Additionally, material and labor costs for routine repair and maintenance are outpacing the Consumer Price Index, owners stated. An owner stated that they have experienced a 36% rise in insurance and maintenance expenditures in recent years. One owner likened managing a MHP to managing and maintaining a small, self-contained city, with inflation inhibiting deferred maintenance of aging infrastructure. Owners consistently echoed that further restricting MHP space rent increases beyond current limits would jeopardize the sustainability of MHPs and the health and safety of MHP residents.

MHP owners also claim that vacancy control could have an unintended consequence of increasing the sales prices of Mobile Home (MH) units. Owners stated that as space rents can only rise by small percentages, the value of the MH unit increases, with the seller and buyer benefitting from MHP space rent caps. The MH owner sells the structure at what MHP owners see as an inflated price, so that the MH buyer is, in practice, "buying the capped space rent." The park owners discourage including vacancy control in an ordinance update.

Other issues were voiced, including concerns about treating recreational vehicles (RVs) as MHs within the ordinance. Some MHP owners stated that because an RV is more easily moved, RVs shouldn't be subjected to the same ordinance as Mobile Homes.

Throughout the session, two narratives became clear:

1. The owners contend that there is a misconception at the heart of the MHRSO, which is that there is a correlation between rising space rent and increased homelessness. MHP owners contend that no such correlation exists.
2. Some park owners stated the MHRSO is an example of government overreach that prevents MHP owners from achieving a fair rate of return on investments into MHPs.

Several MHP owners claimed that they had never evicted a resident due to the nonpayment of space rent, and stated that MHP owners have been willing to work with MHP residents to provide some type of rental assistance, as they had in the past. The owners suggested that funding appropriate, means tested rental assistance would have a positive effect. One MHP owner stated that if they could “bank (accumulate) rent increases” they might be able to delay financial burden for the current residents, while retaining the ability to recapture the foregone increases when a new resident enters the MHP.

The MHP owners who attended were firm in the position that restricting their ability to increase the MHP income by raising space rent threatens the sustainability and stability of the park as operating costs outpace rent increases. One owner wondered, “Why is it presumed that park owners are the ones expected to provide affordability?” Another owner stated that they had felt disrespected by the fast turnaround in implementing the urgency ordinance rent moratorium that took effect on August 22, 2023. Another MHP owner stated that the implementation of the moratorium and the speed at which the listening session was put together “did not inspire confidence” that this process would treat the owners fairly, and they likened the process itself as “sloppy.” They suggested that instead of a County Ordinance, the County should look into entering a Memorandum of Understanding (MOU) with the MHP owners that would be reviewed and renewed/renegotiated every few years.