

# Mobilehome Rent Stabilization Ordinance

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CITY COUNCIL WORKSHOP— JUNE 5, 2023

## Agenda

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Why we are Here

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Petaluma Ordinance

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Questions

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Direction

# Why we are here?

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City Council top 10 goals and priorities

Enacted in 1994 with no subsequent amendments

Santa Rosa and Windsor have recently amended their Rent Stabilization Ordinance

Quick overview of existing ordinance and then direction

# Stakeholder Meetings

GOAL IS TO BE COMPLETE IN TIME FOR AUGUST RENT INCREASES

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Tenant Meeting  
April 27

Park Owner Meeting  
May 4

Community  
Stakeholder Meeting  
May 27

# Mobilehome Rent Stabilization Program

CHAPTER 6.50 PETALUMA MUNICIPAL CODE

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Annual  
rent

Fair rate of  
return

Arbitration

Vacancy  
control

Noticing

# "Affected tenants"

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Those who reside in  
a mobilehome

Those with leases  
not greater than 12  
months  
month to month

Not recreational  
vehicles

Not commercial  
coaches except if  
resided over 9  
months

# Annual Rent Increases

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Base rent = rent at  
start of the  
tenancy

Plus 100% of CPI  
or 6%; whatever is  
lower

Can't increase  
within 12 months  
of prior increase

Need 90 days  
notice before  
increase takes  
effect

# Annual Rent Increase Comparison

Public Entity	Rent Increase Cap
Petaluma	6% or 100% CPI, whichever is less
Santa Rosa	4% or 70% of CPI, whichever is less
Windsor	4% or 75% of CPI, whichever is less
Sebastopol	100% CPI
Rohnert Park	4% or 75% CPI, whichever is less
Sonoma County	100% CPI
Cotati	6% or 100% CPI, whichever is less
Cloverdale	Board Approves
Ukiah	5% or 100% CPI, whichever is less
Vallejo	100% CPI



## CPI of the Past 20 Years

Year	CPI%	Year	CPI%
2022	5.7	2011	2.9
2021	3.7	2010	1.0
2020	1.6	2009	0.2
2019	2.7	2008	4.2
2018	4.3	2007	2.6
2017	3.0	2006	3.8
2016	3.1	2005	2.2
2015	2.6	2004	1.2
2014	3.0	2003	1.4
2013	2.0	2002	1.3
2012	2.8	2001	5.1

# 2 ways to get to Arbitration Hearing

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*Owner must provide special notice*

If owner seeks  
to increase rent more than  
300% of the CPI then:

arbitration is automatic

If owner seeks to increase rent  
more than the annual increase  
but less than 300% CPI then:

51% of affected tenants must file  
a petition within 21 days of notice

# Arbitration Hearing

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Neutral third party  
with experience

Hears evidence from  
both tenants and owner  
to determine if rent  
increase is reasonable

Burden of proof is on  
the park owners to  
show rent increase is  
reasonable

# Fair Rate of Return

## NON-EXCLUSIVE LIST OF FACTORS TO CONSIDER

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Beneficial increases in maintenance

Substantial rehab or capital improvements

Increased costs of debt service

Rental history

Physical condition of the Mobilehome

More or less “housing services”

Comparable rents

Decrease in “net operating income”

A fair return on the property prorated among the spaces of the park

# Vacancy Control

OWNER CAN CHARGE A NEW BASE RENT IF SPACE IS LAWFULLY VACATED

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## Lawful Space Vacancy

- Voluntary removal of mobilehome from space; or
- Termination of tenancy for cause (*not complying with laws, nuisance, conviction for drugs, nonpayment, etc.*)

# Vacancy Control Comparison

Public Entity	Rent Increase Cap
Petaluma	None
Santa Rosa	10%
Windsor	None, except in-place transfers have a 15% cap
Sebastopol	None
Rohnert Park	Yes, no increases
Sonoma County	None
Cotati	None
Cloverdale	10%
Ukiah	10%
Vallejo	Yes, cannot be more than 50% of average price of a 2-bedroom home in Solano

# Noticing – New Tenants

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Park owner required to provide notice that tenant-to-be can elect to be month to month and protected by rent stabilization caps

# Other Provisions

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Prohibition against agreements that waive tenant rights

No retaliation against a tenant for exercising their rights

Ordinance works with other rights & remedies provided by law



# COUNTY & CITY RESOURCES

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COUNCIL ON  
AGING

707-525-0143

LEGAL AID  
707-542-1290

DISABILITY SVS &  
LEGAL CTR

707-528-2745

PETALUMA  
PEOPLE SERVICES

707-765-8488

PETALUMA  
HEALTHCARE CTR

707-559-7500

REBUILDING  
TOGETHER

707-765-3944

CMTY ACTION  
PARTNERSHIP

707-544-6941

COUNTY DIV OF  
ECON ASSIST

877-699-6868

# Questions?

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[mobilehomes@cityofpetaluma.org](mailto:mobilehomes@cityofpetaluma.org)

# Direction

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# Direction on Annual Cap Limits?

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# Direction on Amending the Arbitration Process

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Adding a provision that obligates park owners to forward any rent arbitration petition to tenant service providers specified by the City

Reversing the party who petitions for arbitration.

Adding a meet and confer requirement before the arbitration

Adding a provision providing that arbitration proceedings cannot be noticed for the month of December except for good cause.

Amending the ordinance to allow consolidating arbitration petitions within a single park

Adding provisions which prohibit park owners from demanding rent in excess of that permitted under the City's regulations, or an arbitrator's decision, or while an arbitration hearing is pending.

# Direction on Amending “Fair Rate of Return

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Clarifying factors don't directly benefit tenants like certain debt costs.

Adding a provision to prohibit mobilehome park owners from attempting to recover from tenants costs of seeking rent increases.

# Direction on Amending Noticing Requirements

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Adding a requirement obligating park owners to post or provide the City's Ordinance to Tenants

Adding requirement that park owners post or make available to tenants the permitted annual rent increase cap

Requiring all notices required under the City's mobilehome rent control regulations be provided in English and Spanish, or the language used of the space lease if in a different language



# Direction on Other Amendments

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Adding updates to the “findings and purpose” portion of the City’s regulations

Clarifying definitions such as “Housing service”

Require proper registration with the City and compliance with laws before rent increases can occur

Adding a provision prohibiting “banking” of rent increases

Authorize the City to institute civil suits or other remedies to compel compliance

Making revisions to the City’s regulations to make the text gender neutral