

# Mobilehome Rent Stabilization Urgency Ordinance

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– JULY 10, 2023

# Public Outreach

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- Stakeholder meetings with tenants and park owners
- Community wide hybrid meeting on May 24, 2023
- June 5, 2023, City Council workshop
- June 19, 2023, Urgency Ordinance

# Urgency Ordinance for Annual Cap

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**Section 4. Amendment to Section 6.50.040(A) of the Petaluma Municipal Code.** Petaluma Municipal Code Section 6.50.040(A) is hereby amended to read as follows (strikethrough = deletion; underline = addition):

**6.50.040            Residential rent increase limitations.**

A. Except as provided in subsections B or C, or otherwise expressly authorized in this chapter, the space rent payable for use or occupancy of any mobilehome space shall not be increased within twelve months of the effective date of the preceding rent increase. Except as provided in subsection E or otherwise expressly authorized in this chapter, no initial rent increase shall be imposed sooner than twelve months after the last preceding rent increase regardless of whether the preceding rent increase was effective prior to the effective date of this ordinance. Said increase shall be the lesser of:

1. ~~One hundred~~ *Seventy* percent of the percent change in the CPI; or
2. ~~Six~~ *4* percent.

# Vacancy Cap

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- If “Lawful space vacancy” park owner can charge a new “base rent”.
- “Lawful space vacancy” occurs if:
  - Voluntary removal of unit from space; or
  - Termination of tenancy pursuant to the Mobilehome Residency Law.
    - Failure to pay rent
    - Failing to cure a state, local or park rule
    - Conduct causing a substantial annoyance
    - Conviction of drugs or prostitution occurring in the park
    - Condemnation or change of use of the park

# Proposed Amendments to Vacancy Control Section

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Clarifying that moving unit to another space is not a lawful space vacancy

Clarifying that changing title to unit without a termination of tenancy is not a lawful space vacancy

Adding a subsection that says there cannot be two new increases to base rent for a lawful space vacancy within 24 months

# Proposed Amendments to 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.

# Proposed Amendments to “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.

# Proposed Amendments to 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

# Questions?

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# 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

# Direction on Vacancy Cap Limits?

Public Entity	Rent Increase Cap
Petaluma	Only for “lawfully vacant spaces”
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