

Mobilehome Rent Stabilization Ordinance

CITY COUNCIL WORKSHOP— JUNE 5, 2023

Agenda

Why we are Here

Petaluma Ordinance

Questions

Direction

Why we are here?

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



Tenant Meeting
April 27

Park Owner Meeting
May 4

Community
Stakeholder Meeting
May 27

Mobilehome Rent Stabilization Program

CHAPTER 6.50 PETALUMA MUNICIPAL CODE

Annual
rent

Fair rate of
return

Arbitration

Vacancy
control

Noticing

"Affected tenants"

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

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

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

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

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

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

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

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

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?

mobilehomes@cityofpetaluma.org

Direction

Direction on Annual Cap Limits?

Public Entity	Rent Increase Cap
Petaluma	6% or 100% CPI, whichever is less
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Direction on Amending the Arbitration Process

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

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

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

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