



Board Agenda Item 4

DATE: April 27, 2021

TO: Board of Supervisors

SUBMITTED BY: Supervisor Brian Pacheco and Supervisor Buddy Mendes

SUBJECT: First Hearing of Proposed Amendment to the Fresno County Ordinance Code Adding Chapter 6.30 Section 6.30.010 to Section 6.30.170 to Title 6 of the Fresno County Ordinance Code - Mobile Home Park Rent Review and Stabilization Ordinance

RECOMMENDED ACTION(S):

- 1. Conduct first hearing to amend Title 6 of the Fresno County Ordinance Code, by adding Chapter 6.30, Section 6.30.010 through Section 6.30.170 entitled “Mobile Home Park Rent Review and Stabilization”; waive the reading of the Ordinance in its entirety and set the second hearing for May 11, 2021;**
- 2. Designate County Counsel to prepare a fair and adequate summary of the proposed ordinance; and**
- 3. Direct the Clerk of the Board to post and publish the required summary in accordance with Government Code, Section 25124(b)(1).**

The recommended actions add Chapter 6.30, “Mobile Home Park Rent Review and Stabilization” to Title 6 of the Fresno County Ordinance Code, which will make mobile home park rent increases that are higher than the caps spelled out in the ordinance subject to review by a County hearing officer. This ordinance is for mobile home parks in unincorporated areas of Fresno County with 25 or more mobile home spaces. This item is countywide.

ALTERNATIVE ACTION(S):

The Board of Supervisors can decline to adopt the proposed ordinance or alter portions of the ordinance. If the Board of Supervisors does not adopt the ordinance, the existing situation remains with no rental review or rent caps on mobile home park rent increases.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The estimate for a hearing officer is \$5,000 annually. Sufficient appropriations are included within the County Administrative Office Interest and Miscellaneous Expenditures Org 2540 FY 2020-21 Adopted Budget.

DISCUSSION:

Mobile home park residents live in homes that are placed on spaces they do not own. Mobile home park owners charge rent for those spaces and can raise rent when they believe their expenses are not allowing them a high enough rate of return on investment. This leaves mobile home park tenants no recourse when mobile home park owners want to raise rent on those spaces. Mobile homes are expensive to move and

many mobile home park tenants are elderly and on fixed incomes while others are in socioeconomically disadvantaged segments of the population who cannot afford the expense of moving the mobile home.

Mobile home park residents were not considered in AB-1482, a law that went into effect in California in January 2020. The legislation capped apartment rent increases at 5% plus the local Consumer Price Index or 10%, whichever is lower. State Legislation mirroring AB-1482 for mobile home park residents failed in 2020.

This Mobile Home Park Rent Review and Stabilization ordinance does not prohibit rental space rate increases, but limits those increases to once each year and caps increases at 80% or 100% of the Consumer Price Index (with absolute limits of 3% or 5%) depending whether utilities are part of the cost of the space rent. This ordinance is for mobile home parks in unincorporated areas of Fresno County with 25 or more mobile home spaces.

The ordinance also does not preclude a park owner from seeking rent increases above the caps for capital or facility improvements but gives mobile home park residents an opportunity to seek a hearing on such extra increases before a hearing officer, who serves as an objective third party to determine the reasonableness of larger rent increases.

The duty of the hearing officer is to ensure that rate increases higher than specified caps or infrastructure or amenities costs have a reasonable basis and are not arbitrary and capricious to a mobile home tenant while still allowing a reasonable rate of return on investment.

This ordinance also allows a park owner to seek a rent increase to pay for improvements of common amenities or necessary infrastructure with approval of at 60% or more of the park's residents. These high-cost projects are required to be amortized over a minimum of five years to reduce additional costs for mobile home park tenants. Park owners can seek review by a hearing officer for these high-cost projects if the 60% threshold is not reached.

Under the ordinance, once these large projects are paid off, the increased cost related to the project is removed from the tenants' rent.

In addition, this ordinance will prohibit all unreviewed rent increases for a set time period if there was a recent large rent increase in the past. The timing of new, additional rent increases will hinge on the amount of previous rent increases. For example, if a space rent increase was between 15% and 30%, an owner shall not impose additional rent increases for 24 months after the effective date of the previous rent increase. If the rent increase was more than 30%, the owner shall not impose a new rent increase for 36 months. The mobile home park owner may, however, petition for a hearing and the hearing officer determines such an increase is reasonable under the standards established in this ordinance.

The ordinance also addresses unforeseen emergencies if an owner suffers an undue hardship without a rent increase.

Administration of the ordinance will be overseen by the County Administrative Office.

ATTACHMENTS INCLUDED AND/OR ON FILE:

Ordinance
On file with Clerk - Ordinance Summary

CAO ANALYST:

Ron Alexander