



Staff Report

File #: 24-2329, **Version:** 1

MEETING DATE:

MARCH 26, 2024

SUBJECT:

ACCEPT SAN MARCOS MOBILE ESTATES RENT REVIEW PETITION FROM CITY CLERK, SET A HEARING BEFORE THE MOBILEHOME RENT REVIEW COMMISSION TO CONSIDER PROPOSED SPACE RENT INCREASE, SUCH DATE TO BE SUBJECT TO RESCHEDULING PURSUANT TO REVISED COMMISSION PROCEDURES IN THE EVENT THE PARTIES MUTUALLY REQUEST A REVISED HEARING DATE AND TIME

Recommendation

ACCEPT the City Clerk's Certification of the rent review petition filed with respect to San Marcos Mobile Estates, SCHEDULE a hearing before the Mobilehome Rent Review Commission concerning said proposed space rent increase, recommended to occur on May 22, 2024 at 3:00 pm, and acknowledge that the City Manager or designee may reschedule said hearing in the event the parties mutually request a revised hearing date and time pursuant to Resolution 2023-9242 and revised Mobilehome Rent Review Commission Procedures.

Board or Commission Action

Mobilehome Rent Review Commission

Relevant Council Strategic Theme

Not applicable

Executive Summary

The Mobilehome Rent Review Commission ("Commission") was established to provide a process for manufactured home owners in rental parks to request a review of proposed space rent increases from manufactured home park owners. The Commission provides a process for mobile home park owners to receive a fair and reasonable rate of return on their investments.

On January 30, 2024, the City Clerk received a notice of proposed rent increase that would go into effect May 1, 2024. A majority of the affected residents of San Marcos Mobile Estates have signed a petition requesting a hearing before the Mobilehome Rent Review Commission on the proposed 5.2% space rent increase issued by the park's owner. The purpose of the hearing will be to determine whether or not the rental increase is reasonable. Staff recommends that the City Council schedule a hearing to occur on May 22, 2024, at 3:00 pm.

Discussion

Pursuant to the Mobilehome Rent Review procedures, if the required number of eligible tenants have signed

the petition, the City Clerk accepts the petition for filing, then forwards the petition to the Commission for the purpose of setting the hearing. In the interim, the City Clerk or his designee notifies the park owner that the proposed space rent increase is stayed until both parties agree on a proposed space rent increase, or until the Mobilehome Rent Review Commission renders a final decision on the proposed increase.

The Certificate of Adequacy, which is included in this agenda packet, confirms that fifty-seven percent (57%) of the residents who are subject to the rent increase requested a rent review public hearing, exceeding the threshold for scheduling a hearing. The park owner's representative has been advised that the space rent increase in question is stayed until a final determination is made by the Mobilehome Rent Review Commission.

Pursuant to the recently updated Mobilehome Rent Review Commission procedures adopted pursuant to Resolution 2023-9242, the hearing before the Commission must be scheduled to occur no sooner than forty (49) days and no later than sixty (60) days from the receipt of the petition by the City Council, which is the date this agenda item will be considered, March 26, 2024. The time frame within which to hold the hearing will therefore run between May 14, 2024 and May 24, 2024, unless a different hearing date is agreed upon by all interested parties, which often occurs. Staff recommends scheduling the public hearing to occur on May 22, 2024, at 3:00 pm, and that the City Manager or designee be authorized to reschedule that date in the event the parties mutually request a revised hearing date and time. The parties are required to engage in good faith negotiations in an attempt to reach a mutual agreement prior to the public hearing.

Environmental Review

The activity performed under this action is not a "project" as defined under Section 15378 of the California Environmental Quality Act Guidelines (California Code of Regulations, Title 14, Division 6, Chapter 3, Sections 15000 - 15387), and is therefore not subject to environmental review pursuant to Guidelines Section 15060(c)(3).

Fiscal Impact

The costs associated with the Mobilehome Rent Review Commission hearings are budgeted in the approved Fiscal Year 2023- 24 budget. The costs are split between General Fund (100) and San Marcos Housing Agency Fund (Fund 250).

Attachment(s)

Certificate of Adequacy

Prepared by: Phillip Scollick, City Clerk
Reviewed by: Helen Holmes Peak, City Attorney
Approved by: Michelle Bender, City Manager