

RESOLUTION NO. MHP 2026 - _____

A RESOLUTION OF THE SAN MARCOS RENT REVIEW COMMISSION [GRANTING or DENYING] SPRINGDALE ESTATES A MONTHLY RENT INCREASE FOR THE SPACES AFFECTED BY THE SEPTEMBER 2025 RENT INCREASE NOTICE

WHEREAS, a petition in the appropriate format, containing the required minimum number of signatures of affected tenants was timely filed pursuant to the provisions of the City of San Marcos Mobilehome Rent Review Ordinance (San Marcos Municipal Code, Chapter 16.16) to review proposed monthly space rent increases for the affected spaces in Springdale Estates (the “Park”) in the amount of 4% per space per month, as noticed by the Park owner, Kleege Enterprises; and

WHEREAS, a hearing was held on May 19, 2026 pursuant to Chapter 16.16 and the Mobilehome Rent Review Commission Procedures (“Procedures”) adopted by the San Marcos Rent Review Commission (“Commission”) for the conduct of rent review hearings; and

WHEREAS, at the May 19, 2026 hearing, the Commission heard testimony and considered evidence presented by the parties, and Dr. Kenneth Baar, PhD., the Commission’s fair return expert, considered such other information presented at the hearing, as evidenced in the hearing record;

WHEREAS San Marcos Municipal Code section 16.16.070(g) provides, in part, that the Park owner shall bear the burden of proving by a preponderance of the evidence, that a proposed space rent increase is reasonable and necessary to enable it to receive a just and reasonable return on its investment; and

WHEREAS, Section 16.16.070(g) establishes the following seven (7) non-exclusive factors which the Commission shall consider in evaluating the proposed space rent increase:

(1) Changes in the mobilehome parkowner's gross income from the operation of the mobilehome park;

(2) Changes in the reasonable operating expenses relating to the operation of the mobilehome park;

(3) Whether the proposed rent increase will result in an increase in net income to the parkowner from the operation of the park;

(4) Changes in the Consumer Price Index ("CPI") for the time period since the last rent increase;

(5) Changes in the services, amenities, maintenance and condition of the mobilehome park and the extent to which the rent increase is necessary to provide the services or amenities or to insure maintenance and good operating condition of the park;

(6) The extent to which the rent increase is necessary to pay for capital improvements, and the amount of money allocated by the owner to a capital improvement or maintenance fund, along with the parkowner's budget for maintenance, care and capital improvements for the park; and,

(7) The extent to which the landlord [parkowner] receives net income from fees or charges for utilities, or incidental fees or charges for services billed separately from rent.

WHEREAS, at the May 19, 2026 hearing, the individual Commissioners deliberated and came to a decision based upon the evidence presented.

NOW, THEREFORE, the Mobilehome Rent Review Commission of the City of San Marcos resolves:

1. The foregoing recitations are true and correct and are incorporated into the Commission's findings set forth below.

2. Based on the evidence presented at the hearing:

A. San Marcos Mobile Estates, owned by Kleege Enterprises, is an all-ages, 85-space, mobilehome park, of which 84 spaces are currently used for

rentals, located at 2907 South Santa Fe Avenue, San Marcos, California.

B. On September 25, 2025 the park owner sent its tenants a notice of monthly rent increases of 4%, to commence January 1, 2026.

C. On October 26, 2026, the City of San Marcos received a Petition signed by a majority of the Springdale tenants affected by the proposed rent increase, a rent review hearing before the Mobilehome Rent Review Commission.

D. On October 31, 2026, the City Clerk certified that the tenants' rent review petition had been signed by a majority of the affected in accordance with SMMC, Section 16.16.060(c)(2).

E. The Commission hearing was originally set for March 10, 2026, but was rescheduled to May 19, 2026, upon agreement by the park owner and tenant representatives, in order to provide time for settlement discussion.

F. The park owner representative filed its initial written submission on March 3, 2026; the tenants filed their written response on March 24, 2026.

G. On April 28, 2026, the Commission's fair return expert, Dr. Kenneth Baar, issued his Analysis of the Springdale Estates Rent Increase Application.

H. The park owner and tenant representatives filed their final submittals on May 7, 2026, and May 12, 2026, respectively.

I. Based on the evidence in the record of these proceedings and on the findings and conclusions set forth above, the Commission finds and determines that [EITHER: "A monthly space rent increase in the amount of ___% is reasonable and necessary to enable the park owner to receive a just and reasonable return on its investment and, as such, is granted." OR "A space rent increase is not necessary in order to enable the park owner to receive a just and reasonable return on its investment and, as such, no space rent increase is granted."].

[IF GRANTED: J. Accordingly, the above ____ monthly space rent increase is effective for the affected 84 spaces as of _____, 2026.]

PASSED AND APPROVED at a special meeting of the San Marcos Rent Review Commission held on the 19th day of May 2026, by the following roll call vote.

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSENT: COMMISSIONERS:

Rebecca Jones, Chair
Mobilehome Rent Review Commission
City of San Marcos

ATTEST:

Phil Scollick, Commission Clerk
Mobilehome Rent Review Commission
City of San Marcos