

**Analysis of the
SPRINGDALE ESTATES
Rent Increase Application**

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This report was prepared at the request of the City of San Marcos. The opinions expressed herein are those of the author and do not necessarily represent the views of the City or the staff of the Rent Review Commission.

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SUMMARY

The San Marcos Mobilehome Rent Review Ordinance ("Ordinance") provides for consideration of listed factors and "other relevant factors" in setting allowable rents.

The average rent in the Springdale Estates Mobilehome Park is \$879.¹ Notably rent levels vary widely among the 85 rental spaces in the Park. In addition to rent, the Mobile Home Owners cover utility costs which average \$227/month.

The Park Owners have requested a rent increase of 4% based on the justification that the Consumer Price Index (CPI) increased by this amount.

Operating expenses, apart from utility expenses which are mostly passed through, are equal to about 25% of rental income. Assuming that operating expenses are increasing at the same rate as the CPI, a rent increase of \$31 would cover annual operating cost increases and allow for growth in net operating income consistent with the San Marcos Mobilehome Rent Review Commission policies.

Since 2006, overall rental income has increased by the same percentage as the CPI, 72%

Typically, under the Ordinance and in rent setting in mobile home parks rent increases are set at a uniform percentage of the current rent. In this particular case, the Residents contend that an increase of a fixed percentage, rather than a fixed dollar amount, would have particularly unfair consequences for tenants in spaces with higher rents. The Residents contend that any rent increase should be set using a "flat rate" (a uniform dollar amount), rather than a uniform percentage, with a percentage ceiling on the amount of the increase.

In the alternative, they request that the Rent Review Commission "Grant no increase, or an appropriate rent reduction, until there is a return in reasonable park rule policies, restoration of lost amenities and necessary repairs completed in accordance with City requirements to fix longstanding water-table issues or other Title 25 code violations"²

¹ Author's tabulation of the sum of the monthly "base rents."

² TR 00011.

The Author

The author's resume is attached as Appendix B. The author has a PhD in urban planning and is an attorney. He has researched and published extensively on housing policy issues.

Over the past 30 years, he has been employed as a consultant by numerous California jurisdictions for the purpose of preparing fair return analyses of rent increases applications and/or drafting regulations of mobile home park space rents. He has prepared studies for ten cities, including Los Angeles, on the Mobilehome Park Space Rental Market and the economics of Mobilehome Ownership and Mobilehome Parks in those cities.

His articles on rent control have been extensively cited by appellate courts, especially in regard to fair return issues. Appellate courts have concluded that his opinions have provided a substantial basis for the findings of rent boards in fair return cases. (Appendix B, pp. 8-9) contains a list of Court Opinions Citing Articles by Kenneth Baar in rent control and mobile home park cases or relying on his testimony.)

I. Introduction

The purpose of this report is to analyze the rent adjustment request of Springdale Estates, taking into account the standards in the San Marcos Municipal Code (“SMMC”) Chapter 16.16, (the Mobile Home Rent Review Ordinance, referred to as the “Ordinance”); the San Marcos Mobilehome Rent Review Procedures (“Procedures”) adopted pursuant to the Ordinance by San Marcos City Council Resolution No. 2023-9242), constitutional standards for fair return, and the submissions of the Park Owner and of the Residents. *(Submissions of the Park Owner have date stamp numbers beginning with the “PO”, The page numbers in the Resident submissions begin with “TR”, and San Marcos City documents begin with the letters “SM”)*

A. Current Rents

The average rent in the Park is \$879.³ Rent levels vary widely among the 85 rental spaces in the Park. The higher rents are attributable to rent increases that were authorized pursuant to leases of more than one year that were exempted by state law from local rent regulations. The Residents have indicated that in a few years, around the year 2000, when the inflation rate was close to 0%, rent increases of 10 to 12% were authorized under the exempt leases. In 2020 California enacted AB 2782, which amended California Civil Code, section 798.17, repealing the exemption from local rent control for new long-term leases entered into after Feb. 2020 and repealing the exemption for all existing long-term leases effective Jan. 1, 2025.

(Table 1)

Monthly Rent Levels in 2025	
Monthly Rent	No. of spaces
496-599	10
600-699	7
700-799	14
800-899	14
900-999	18
1000-1099	14
1100-1199	4
1200+	5

³ Author’s tabulation.

B. Utility Costs

In addition to space rents, the Residents cover gas and electricity expenses, which are submetered and water and sewer costs which are passed through. In 2024, the average monthly total of these expenses was \$227.74.⁴

(Table 2)

Utility Costs/Month	
Utility	2024
Gas	30.62
Electric	98.37
Water	37.14
Trash	25.55
Sewer	36.06
Total	227.74

C. Overall Rent Increases Per Space 2006-Dec. 2025

From 2006 through December 2025, the overall rental income of the Park has increased by the same percentage as the CPI, from an average of \$512 to a current average of \$879. However, since 2006 dollar increases in monthly space rent have widely varied among spaces, ranging from an average annual increase in the monthly space rent of \$10 over the twenty year period to an average annual increase in the monthly space rent of \$33 over this period. (The comparison is made with 2006 rents because data on individual space rents was provided in a rent increase application in that year and a trial court held that those rents permitted a fair return.)

(Table 3)

Increases in Monthly Rents 2006-Dec. 2025			
Increase from 2006 to Dec. 2025	No. of Spaces	Average Increase in Monthly Rents Per Year	
\$150-\$249	18	\$7.50	\$12.45
\$250-\$349	27	\$12.50	\$17.45
\$350-\$449	16	\$17.50	\$22.45
\$450-\$549	11	\$22.50	\$27.45
\$550-\$649	7	\$27.50	\$32.45
\$650-\$672	2	\$32.50	\$33.60
\$814-\$869	2	\$40.70	\$43.45

⁴ Author's tabulations of monthly averages based on totals set forth in the Park Owner's profit and loss statement for 2024. (See PO 00134) Computation: $annual\ total / (85\ spaces * 12\ months.)$

The table below provides a breakdown of 2006 and Dec. 2025 rents and the percentage and dollar increase in rent by space.

(Table 4)

Rent Levels 2006-December 2025								
	2006	2026	% Increase	\$ Increase	2006	2026	% Increase	\$ Increase
CPI	228.1	391.81	72%					
Space	Rent							
2	453.45	707.97	56%	254.52	604.00	970.32	61%	366.32
3	532.91	1165.89	119%	632.98	604.00	970.32	61%	366.32
4	383.52	604.58	58%	221.06	361.93	925.67	156%	563.74
5	353.74	1026.71	190%	672.97	357.00	565.41	58%	208.41
6	506.21	785.96	55%	279.75	510.00	791.56	55%	281.56
7	614.88	1006.37	64%	391.49	583.94	776.82	33%	192.88
8	561.72	1044.88	86%	483.16	477.80	743.95	56%	266.15
9	350.00	555.07	59%	205.07	587.80	1079.64	84%	491.84
10	587.80	906.58	54%	318.78	614.88	986.73	60%	371.85
11	506.00	839.56	66%	333.56	566.76	875.46	54%	308.70
12	524.18	787.36	50%	263.18	594.64	980.74	65%	386.10
13	553.74	496.51	-10%	-57.23	542.54	839.67	55%	297.13
14	583.94	794.09	36%	210.15	495.72	770.49	55%	274.77
15	406.98	638.20	57%	231.22	614.88	1006.37	64%	391.49
16	361.93	870.73	141%	508.80	583.94	941.12	61%	357.18
17	361.93	990.77	174%	628.84	545.95	844.73	55%	298.78
18	614.88	964.75	57%	349.87	525.00	813.79	55%	288.79
19	583.94	1231.50	111%	647.56	550.13	850.90	55%	300.77
20	484.00	750.52	55%	266.52	511.88	794.34	55%	282.46
21	543.57	1027.63	89%	484.06	614.88	997.75	62%	382.87
22	460.57	655.89	42%	195.32	614.88	1231.50	100%	616.62
23	369.30	1243.44	237%	874.14	614.88	1006.20	64%	391.32
24	359.59	527.11	47%	167.52	383.52	604.58	58%	221.06
25	426.28	667.82	57%	241.54	357.00	565.41	58%	208.41
26	491.32	763.96	55%	272.64	359.59	510.25	42%	150.66
27	433.00	648.57	50%	215.57	594.64	916.68	54%	322.04
28	516.00	887.52	72%	371.52	587.80	925.67	57%	337.87
29	583.94	1021.76	75%	437.82	554.12	1039.25	88%	485.13
30	542.40	839.44	55%	297.04	560.56	1102.48	97%	541.92
31	359.59	525.43	46%	165.84	583.94	900.88	54%	316.94
32	614.88	801.37	30%	186.49	477.40	743.38	56%	265.98
33	594.64	851.84	43%	257.20	594.64	1053.38	77%	458.74
34	357.00	565.41	58%	208.41	528.88	819.49	55%	290.61
35	468.02	730.63	56%	262.61	443.51	951.28	114%	507.77
36	583.94	1142.09	96%	558.15	447.18	698.72	56%	251.54
37	614.88	1006.37	64%	391.49	361.93	882.99	144%	521.06
38	562.15	773.76	38%	211.61	548.08	1032.77	88%	484.69
39	583.94	997.64	71%	413.70	533.02	1142.05	114%	609.03
40	575.86	887.88	54%	312.02	595.62	967.19	62%	371.57
41	614.88	967.19	57%	352.31	442.23	1256.92	184%	814.69
42	353.74	997.14	182%	643.40	583.94	1241.85	113%	657.91
43	592.69	1001.70	69%	409.01	483.87	1000.08	107%	516.21

Annual Rent Increases – Rent Controlled Spaces 2019-2025

From 2019 through 2025, annual rent increases of rent controlled spaces have ranged from 61% to 100% of the annual increase in the CPI.

(Table 5)

Effective Date of Increase	CPI Increase (preceding July to July)	Rent Increase
Jan. 1, 2019	3%	3.0%
Jan. 1, 2020	1.4%	1.4%
2021	2.1%	1.4%
Feb.1, 2022	6.0%	4.0%
Jan. 1, 2023	7.3%	4.5%
Jan. 1, 2024	4.3%	3.2%
Jan. 1, 2025	3.5%	2.625%

II. The Park Owner’s Rent Increase Notice and Submissions and the Residents’ Response

The Park Owner’s Rent Increase Notice

On September 25, 2025, the Park Owner submitted a 4% rent increase notice to the Residents.⁵ The increase would take effect on January 1, 2026. The Park Owner indicated that its proposed increase was based on consideration of the 4% increase in the CPI in the twelve-month period (from July 2024 to July 2025) preceding the notice.

On October 26, 2025, the Residents submitted a petition in opposition to the Park Owner’s rent increase request, thereby triggering the City’s rent review process.⁶

Park Owner Submissions

The Procedures, Section 7 set forth what documents must be submitted pursuant to the City’s rent review.

⁵ PO 00163-00330 (Containing the rent increase notices to each resident, including a statement of the charges for each utility).

⁶ SM 00396-00397

Pursuant to Procedures, Section 7(d)(v)(1), the Park Owner's submission included the following:

- 1) "Profit & Loss 12 Month Recap" (2022-2024),⁷
- 2) "Grant Deed",⁸
- 3) "Cash Flow 12 Month Recap",⁹
- 4) Planned Capital Improvements,¹⁰
- 5) Settlement Statement Showing Purchase Cost,¹¹

In addition, the submission included the Park rules,¹² and a form Rental Agreement.¹³

The Park Owner purchased the Park in May 2025. The Park Owner's original submission did not include any profit and loss statements for prior years, which were required pursuant to the Guidelines. Subsequently, after the Residents submission, the Park Owner provided profit and loss statements for 2022, 2023, 2024, and for May through Dec. 2025.

The Residents' Response

On March 17, 2026, the Residents submitted their response to the Park Owner's request. (TR 00001-00026)

The Residents' response emphasizes that any rent increase should be set using a "flat rate" (a uniform dollar amount), rather than a uniform percentage. Their submission noted the wide gap among current rent levels and the short term and long term disparities in the dollar amounts of allowable rent increases if the rents of all spaces are increased by a uniform percentage.¹⁴

The Residents also contend that under the new ownership, which started in May 2025, there have been cutbacks in the level of services.(TR 00007) Their claims about cutbacks include but are not limited to:

- a. Reducing the months that the pool is heated. While the current pool heating schedule is in accord with the rental contracts, the heating period is shorter than provided by the previous owner,
- b. Responsibility for replacing and maintaining mailboxes has been transferred from the Park Owner to the Residents,

⁷ PO 00107-00142

⁸ PO 00053-00057

⁹ PO 00101

¹⁰ PO 0001-00002, 00004-00015

¹¹ PO 00101.

¹² PO 00058-00098 (Index to rules PO 00096-00098)

¹³ PO 00016-00052.

¹⁴ TR 00004-00005, TR 00018-00021

- c. The Residents have lost of access to the guest parking lots, the RV lot and carwash area,

The Park Owner contends that the claims of the Residents in regard to services and maintenance are not reasonable. (See PO 00002)

The Residents set forth several alternative proposals (see TR 00011-00012), which are described in very brief form here. :

1. A uniform dollar increase with a 4% ceiling on the allowable increase,
2. No increase until amenities restored, water service problems resolved, & return to reasonable policies of the prior owner.
3. Allow an increase equal to 75% of the CPI increase, conditioned on the restoration of amenities, with no increase allowed for higher rent spaces.
4. Conduct a comparable rent analysis for consideration in determining the allowable rent increase.

III. The Rent Ordinance and Rent Review Procedures - Standards for Rent Adjustments

The San Marcos Ordinance differs from most mobile home park rent stabilization ordinances by not providing for across-the-board annual rent adjustments which are tied to the percentage increase in the CPI.

The Ordinance provides that in the event that the Residents contest a proposed rent increase, it must be justified by the Park Owner in a hearing before the Commission. In such a hearing a park owner has the burden to justify that the increase is necessary to allow for "a just and reasonable return on ...investment."

The mobilehome park owner shall bear the burden of proving by a preponderance of the evidence that a proposed space rent increase is reasonable and is necessary to enable the mobilehome park owner to receive a just and reasonable return on his investment.(SMMC, Section 16.16.070(g)).

The Ordinance does not define the terms "just and reasonable return on investment".¹⁵

In addition, the Ordinance contains the following list of factors that Commission shall consider and also provides that the Commission shall consider "**other factors ... [it] deems relevant**". (*bold added*)

- 1) Changes in the mobilehome park owner'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 park owner from the operation of the park;***
- 4) Changes in the Consumer Price Index from the time period from 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 park owner's budget for maintenance, care and capital improvements for the park; and***
- 7) The extent to which the landlord receives net income from fees or charges for utilities, or incidental fees or charges for services billed separately from rent. (SMMC, Section. 16.16.070(g))***

¹⁵ The lack of a specific fair return standard may be attributable to modeling the rent adjustment standards after standards in other ordinances which were adopted in the early 1980's when there was a lack of certainty about what types of fair return standards would be upheld or struck down by the Courts.

The Procedures provide that the Commission may base its determination on any fair return standard that has been accepted by California courts, rather than any particular formula:

The Commission determination does not have to be made by the application of any particular method or formula, so long as the substantial evidence supports its determination that the rent level approved will provide the Park Owner with a 'fair return. Accordingly, the Commission may base its decision on the basis of the Maintenance of Net Operating Income ("MNOI") formula, historical cost, return on investment, or other formula accepted by the California courts for determination of rent review matters. (Procedures, Section 8(b))

IV. Consideration of the Rent Adjustment Factors in the Ordinance

In this section, the proposed rent is reviewed considering the standards and factors set forth in the Ordinance.

(Section 16.16.070(g)(1). Changes in the mobilehome park owner's gross income from the operation of the mobilehome park; &

(Section 16.16.070(g)(4). Changes in the Consumer Price Index from the time period from the last rent increase;

While the Ordinance does not provide for an annual increase based on a portion or the full amount of the annual CPI increase, it does list increases in the CPI as a relevant factor in setting allowable rents. In its consideration of this factor, the Commission has used the "San Diego-Carlsbad, CA, all urban consumers, all items index, not seasonally adjusted."¹⁶

As indicated in Table 5 on page 4, from 2018 through 2025, the annual increases have ranged from 61% to 100% of the percentage increase in the CPI.

Methodology for Measuring the Percentage Increase in the CPI

The Ordinance provides for consideration of the increase in the CPI "for the time period from the last rent increase." (Section 16.16.070(g)(4)). In Springdale the last rent increase was in January 2025.

The Procedures set forth a precise methodology for measuring the increase in the CPI.

Section 2.b.

b) Consumer Price Index. With respect to the calculation of changes in the Consumer Price Index (CPI), a Mobilehome Park Owner intending to increase Space Rent shall specify the date and the index figure used for the prior rent increase notice if the increase was not contested by the Residents or was settled with the Residents, or shall specify the date and the index used by the Commission in its findings if the prior rent increase was set by the Commission. The calculation of the proposed increased Space Rent shall use the most recent CPI figure published by the U.S. Bureau of Labor Statistics prior to the date of the issuance of the Space Rent increase Notice.

The Increase in the CPI since the last Rent Increase

The increase in the CPI from July 2024, the last date considered in the prior increase notice, to July 2025 was 4%.¹⁷

¹⁶ Bureau of Labor Statistics, Consumer Price Index, Series ID. - CUURS49ESA0

¹⁷ CPI: July 2024 – 375.072; July 2025 – 390.179.

Contentions of the Residents about the Reasonability of Using the CPI as a Measure of Allowable Rent Increases

The Residents point out that the CPI reflects changes in the prices of a market basket of household goods (food, transportation, medical care etc.), that are not the types of operating costs incurred by mobile home park owners.¹⁸ While, these types of costs are not operating costs of mobile home parks, other types of operating costs that are not measured by the CPI all items are substantial. (e.g. management, maintenance).

To the extent that mobile home park operating costs increase at the same rate as the household market basket of goods, the CPI still serves as a reasonable measure of increases in mobile home park operating costs. In fact, property tax increases are limited to two percent a year, except when large increases are commonly triggered by a new assessment upon the sale of a park. Commonly, utility costs have increased at a more rapid rate than the CPI, but typically most of those costs are passed through to the Residents, apart from the space rent.

Typically, operating costs are in the range of 40% to 50% of rental income. If operating costs increase at the same rate as the CPI, a rent increase of 40% to 50% of the CPI would cover operating cost increases but would not provide for any growth in net operating income.

(Section 16.16.070(g)(2)). Changes in the reasonable operating expenses relating to the operation of the mobilehome park;

As indicated, the Park Owner purchased the Park on May 1, 2025. As indicated, the Park Owner's submission includes income and expense statements for 2022, 2023, 2024, and May-December 2025.

The Park has not made any claims in regard to increases in operating costs.

Section 16.16.070(g)(3). Whether the proposed rent increase will result in an increase in net income to the park owner from the operation of the park.

&

Section 16.16.070(g)(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 park owner's budget for maintenance, care and capital improvements for the park;

¹⁸ TR 00003.

Planned Capital Improvements

Park owners are required to provide a list of planned capital improvements.¹⁹ The Park Owner indicated that it plans about \$67,000 in capital improvements in the current year and another \$67,000 in 2027.²⁰ If a cost of \$67,000 is amortized with an 8% interest rate over a ten year period, the monthly amount per space is about \$10.00.

(Table 6)

Planned Capital Improvements	
Description	Amount
2026	
ac/furnace combination unit in the clubhouse	16,218
pool renovations with two new barbecues	50,626
perimeter fence	6,722
Total	67,422
2027	
2nd ac/furnace combination unit in the clubhouse	16,218
shuffleboard renovation	5,500
street repairs	46,260
Total	67,978

(See PO 0001-00002, 00004-00015)

The Residents raise questions about the merits of considering these costs as the basis of a rent increase.²¹ On the other hand, these costs are not part of the Park Owner's justification of its proposed rent increase.²²

¹⁹ Procedures, Sec. 7dvc

²⁰ PO 00001-00002

²¹ TR 00005

²² PO 00001

(Section 16.16.070(g)(7)) The extent to which the landlord receives net income from fees or charges for utilities, or incidental fees or charges for services billed separately from rent.

The profit and loss statements set forth utility income and expenses by category for 2022 through 2024. The Park Owner does not present any claims in regard to these expenses.

Water, Sewer, and Trash expenses are passed through to the Residents. In 2024, the combined income for these services exceeded their combined costs.²³

Consideration of income and expenses associated with master-metered gas and electricity is preempted by state law which regulates charges to the park residents for these services. The state rate structure is intended to cover the costs of maintaining these systems as well as covering the charges of the utility company.

(Section 16.16.070(g)). "mobilehome park owner to receive a just and reasonable return on his investment"

In past fair return cases involving requests for rent increases well in excess of CPI increases the Commission has considered a "just and reasonable" return analysis and has provided for a rent increase that would allow for an increase in "net operating income" by 75% of the percentage increase on the CPI since a base year.²⁴

In contrast, in cases in which the Commission has made a prior determination only a few years earlier, pursuant to City staff direction an MNOI analysis (the City's method for analyzing fair return claims) has not been performed. In this case an MNOI analysis has not been required. However, discussion about "just and reasonable return" is provided in order to provide some analysis of the interrelationship between rent increases based on the increase in the CPI and the objective of providing a fair return.

As indicated, the ordinance provides that "*a proposed space rent increase is reasonable and is necessary to enable the mobilehome park owner to receive a just and reasonable return on his investment. (Section 16.16.070(g))*" As a general proposition, in rent legislation, this objective is fulfilled by annual rent increases that are equal to the percentage increase in the CPI or a substantial portion of that increase.

Fair return issues generally arise in cases in which park owners propose rent increases in excess of the CPI related increases. When such proposals are contested, generally a hearing is conducted in order to determine whether an additional increase is required in order to allow a fair return, taking into consideration operating cost increases since a base year, increases in the CPI since the

²³ See PO 00134-00135

²⁴ See. e.g., Lakeview, Reso. No. MHP 2006-43, proposed rent increase of \$229.02; Villa Vista [former name of Springdale Estates] Reso. No. MHP 2008-46, proposed increase of \$192.70.

base year, growth in net operating income, other fair return theories proposed by a party, and park maintenance.

Fair Return (“Just and Reasonable Return”) is a complex issue. In an earlier case, also involving San Marcos, a California Court of Appeal explained:

The principal question is whether the San Marcos City Council acting as the City’s Mobile Home Rent Review Commission, denied this mobilehome park owner its constitutionally guaranteed fair rate of return on its investment by refusing to grant a proposed rent increase. What appears at first blush to be a simple question of substantial evidence turns out to be something considerably more complex when one realizes that the formula for determining a “fair return” is hotly debated in economic circles and has been the subject of sparse, scattered, and sometimes conflicting comment by appellate courts. In particular, only the broad outlines have been discussed in California decisions.²⁵

As indicated, the Ordinance does not command the use of a particular type of fair return standard in determining what rent would permit a fair return. Section 8 of the Procedures (quoted on p. 7 of this report) sets forth the principle that the Commission is not bound to use one particular type of formula. Also, the Courts have repeatedly indicated that Rent Commissions are not required to use a particular type of fair return standard.²⁶

In past hearings, in cases involving requests for rent increases far in excess of the CPI increase, the Commission applied the MNOI standard in order to determine the allowable rent increase.²⁷ The MNOI standard has been upheld and praised by the Courts.²⁸

Under an MNOI standard an owner is entitled to rent increases which are adequate to cover operating cost increases and permit growth in net operating income. **Rather than designating a particular rate of return as fair, this approach preserves the yield from a property by passing through operating cost increases and adjusting the net operating income by a CPI factor.**

²⁵ *Palomar Mobilehome Park Association v. Mobile Home Rent Review Commission. City of San Marcos*, 16 Cal.App. 4th 481, 483 (1993)

²⁶ See e.g., *Carson Harbor Village, Ltd. v. Carson Mobilehome Park Rent Review Board*, 70 Cal.App.4th 281, 290 (1999);

²⁷ See e.g., *Villa Vista Reso. No. MHP 2008-46*. (Villa Vista was the former name of Springdale MHP) In *Villa Vista Estates v. City of San Marcos*, Cal. Ct of App, 4th App Dist., Div 1 (March 16, 2011), in an unpublished decision, the Court upheld the San Diego Superior Court’s Denial of a Park Owner’s Writ of Mandate specifically holding that the San Marcos Ordinance “Permits Use of the MNOI Approach,” and affirmed the City’s grant of a monthly increase of \$8.42 for each of the rent controlled spaces.

²⁸ See *Rainbow Disposal v. Mobilehome Park Rental Review Board* 64 Cal. App.4th 1159, 1172 (1998); and See *Colony Cove Props., LLC v. City of Carson*, 220 Cal.App.4th 840 (Cal. App. 2013) and numerous cases cited therein. In *Colony Cove*, the Court noted that “the MNOI standard has been praised by courts and commentators for “its fairness and ease of administration” (220 Cal. App. 4th at 869) and that “Appellant does not dispute that the MNOI approach has been upheld by every court to have considered it.” (220 Cal.App.4th at 870)

Under this standard, debt service is not considered as an operating expense. In three cases, the Court of Appeal held that discrimination in allowable rent increases based on differences in financing are not reasonable.²⁹

However, by requiring an allowance for growth in net operating income, the MNOI standard provides for increases in the portion of rental income that is available to cover reasonable increases in debt service. Rather than considering each owner's particular financing circumstances, the MNOI standard provides all owners with growth net operating income tied to the rate of inflation (the CPI) which can cover additional financing costs and/or provide additional cash flow. In turn, because value is a function (multiple) of net operating income, growth in NOI leads to appreciation in the value of a property, which may be converted into a capital gain. This approach meets the twin objectives of "protecting" the mobilehome owners from "excessive increases" and providing park owners with a "fair return on investment."

Allowing Rent Increases that Permit a Fair Net Operating Income

As a general proposition, when operating expenses increases at the same rate as the CPI, because operating costs are typically in the range of 30% to 50% of gross income, rent increases equaling 50% of the percentage increase in the CPI will cover increases in operating costs. Increases above 40% of the CPI will allow for growth in net operating income.

In order to allow net operating income (NOI) to increase by 75% of the percentage increase in the CPI, if it is assumed that operating expenses are about 50% of rental income and that these costs increase at the same rate of increase as the CPI, a rent increase equal to about 80 to 90% of the percentage increase in the CPI would allow for this rate growth in NOI.³⁰ In the case of a 4% increase in the CPI, a rent increase of 3.5% would meet this objective. The following table demonstrates this relationship.

²⁹ See *Palomar Mobilehome Park Ass'n v. Mobile Home Rent Review Commission* [of San Marcos], 16 Cal.App.4th 481, 488 (1993); *Westwinds Mobile Home Park v. Mobilehome Park Rental Review Bd.*, 30 Cal.App.4th 84, 94 (1994); *Colony Cove v. City of Carson*, 220 Cal.App.4th 840, 871 (2013)

³⁰ Property tax increases are limited to 2% per year, except when a property is sold.

(Table 7)

Hypothetical - Rent Increase Required to Provide a Fair Return				
If NOI Adjusted by 75% of the percentage increase in CPI and Operating Expenses Increase by the same percentage as the CPI.				
	Base Year	Pct Increase	Dollar Increase	Current Year
CPI	100	4%		104
Operating Expenses	500,000	4%	20,000	520,000
Net Operating Income	500,000	3%	15,000	515,000
Base Year Rent	1,000,000			
Allowable Rent In Current Year				1,035,000
Pct Increase over Base Year				3.5%

The courts have upheld fair return standards which provide for indexing net operating income at 40% of the percentage increase in the CPI. Using the same assumptions as above with a 4% increase in the CPI, a rent increase of 3% would allow for this rate of growth in the CPI.

(Table 8)

Hypothetical - Rent Increase Required to Provide a Fair Return				
If NOI Adjusted by 50% of percentage increase in the CPI and Operating Expenses Increase by the same percentage as the CPI.				
	Base Year	Pct Increase	Dollar Increase	Current Year
CPI	100	4%		104
Operating Expenses	500,000	4%	20	520,000
Net Operating Income	500,000	2%	10	510,000
Base Year Rent	1,000,000			
Allowable Rent In Current Year				1,030,000
Pct Increase over Base Year				3%

Outcomes Based on a CPI Factor – Leveraging Factors and Differences in Outcomes under Low and High Inflation Rates Compared

In order to understand the impact of a CPI based rent increase standard on returns from mobilehome investments it may be noted that because most of the investment is in a cost that is fixed at the time of the purchase and typically is leveraged, consequentially rates of return on cash investment are higher than rates of increase in the value of a property. (Imagine if one purchased a house for \$300,000 with a downpayment (original equity) of \$60,000. A 20% increase in value to \$360,000 would double the cash equity from \$60,000 to \$120,000).

Due to the impact of leveraging in real estate purchases higher rates of inflation lead to higher rates of return. For example, a rent increase equal to 75% of the percentage in the CPI in a year when the CPI increases by 8% may provide a higher return on cash investment and will provide more appreciation than an increase equal to 100% of the CPI increase in a year when the percentage increase in the CPI is only 2%.

(Table9)

**Outcomes under Maintenance of Net Operating Income Standard
Under Low and High Rates of Inflation**

(Operating Expenses = 40% of gross income)

	Base Year	Year 2	
Total Investment	5,000,000		
Mortgage	3,500,000		
Cash Investment	1,500,000		
CPI Increase		2%	8%
Rent Increase Standard		full CPI	75% of CPI
Allowable Rent Increase		2%	6%
Operating Cost Increase		2%	8%
Rent	500,000	510,000	530,000
Operating Expenses	200,000	204,000	216,000
Net Operating Income	300,000	306,000	314,000
Increase in NOI		2%	5%
Mortgage Interest	245,000	245,000	245,000
Cash Flow	55,000	61,000	69,000
Cash Flow/Inflation Adjusted Cash Investment	3.7%	4.1%	4.3%
Appreciation in Park Value (=Increase in NOI/6% capitalization rate)		100,000	233,333

V. Alternate Rent Adjustment Methodologies

“Flat Rate” Rent Increase (uniform dollar increases) v Fixed Percentage Increases.

Generally, rent stabilization board decisions provide for uniform percentage increases for all spaces in a park. On the other hand, it is notable that rent levels in this park vary by as much as 100%. There are rationale for and against other approaches for determining allowable increases.

Fixed Dollar Amount

The most common alternative is a uniform dollar increase in lieu of a uniform percentage increase. This approach has been adopted in some instances under rent legislation. It may be based on a concept that although there are differences in rent levels among spaces, the increases in operating costs reasonably attributable to each space would be uniform.

A rationale against this approach would be that a computation of an amount that converted a fixed percentage of all of the rents in the park into a dollar average would raise the percentage increase of the rents of Residents who never agreed to the leases that have raised the dollar average. It would incorporate rent levels which the Residents contend were set by unfair practices. If this approach were used in this case, the portion of the tenants who never agreed to rents set by unfair practices would be subject to a greater increase as a consequence of other Residents, present or former tenants) submitting to these practices.

The Residents have proposed this approach, subject to a percentage increase cap on the dollar increase. (TR 00011).

Percentage Allowable Rent Increase with a Fixed Dollar Ceiling

Variations from allowable annual rent increases based solely on the percentage increase in the CPI or fair return increases based solely on consideration of a combination of increases in the CPI and increases operating expenses are most common in situations in which the base rents are exceptionally low or rents have not been increased for a substantial period.

Another approach would be to provide for a fixed percentage allowable rent increase but place a dollar ceiling on the amount of the rent increase that would be permitted. One concept is that a greater dollar rent increase should not be permitted on the basis that the current rent is higher.

Commonly, ordinances with annual increase standards based on the CPI include a cap on the allowable percentage. For example, x% of the percentage increase in the CPI, but not more than x%. In this case, which involves vastly diverging rent levels in a Park, a variation of this approach could be to allow a fixed percentage increase with a dollar ceiling.

V. Conclusion & Recommendation

As indicated, the Ordinance does not provide for an annual rent adjustment based on a specific formula nor command the use of a particular methodology for determining an allowable increase. There is no single correct answer as to how the amount of the allowable rent increase should be set.

In providing direction in regard to how to set rents at a level that permits a fair return, the State Supreme Court explained:

Although the term "fair rate of return" borrows from the terminology of economics and finance, it is as used in this context a legal, constitutional term. It refers to a **constitutional** minimum within a broad zone of reasonableness. ... within this broad zone, the rate regulator is balancing the interests of investors, i.e. landlords, with the interests of consumers, i.e. mobilehome owners, in order to achieve a rent level that will on the one hand maintain the affordability of the mobilehome park and on the other hand allow the landlord to continue to operate successfully. (*Galland v. Clovis*, 24 Cal. 4th 1003,1026 (2001))

Generally annual rent increases in the mobilehome parks in San Marcos have been set pursuant to agreements between residents and park owners.

Here a recommendation is made, subject to the qualification that there are pros and cons to any of the possible approaches. It is based on the concepts that:

1. In Springdale there are very substantial differences among the spaces in allowable rent levels,
2. operating cost increases for individual spaces are not higher for spaces with higher rents
3. rent increases for particular spaces should not be greater on the basis that the current rent is higher
4. conversely rent increases for spaces that have lower rents should not be lower.

It is recommended that any annual rent increase be set as a fixed dollar amount, calculated as a percentage of the Park's average rent.

In other cases where the Park Owner and Residents did not reach an agreement on the annual allowable increase, the Commission has tied rent increases to increases in the Consumer Price Index (CPI). For example, in 2022 the Commission approved an increase equal to 75% of the percentage increase in the CPI.³¹ In a 2007 case involving Springdale (formerly Villa Vista), the Commission used a fair return analysis that allowed net operating income to increase by 75% of

³¹ San Marcos Mobile Estates, Resolution No. MHP 2022-01(75% of the 8.21% CPI increase from July 2019 to July 2021.)

the CPI per cent increase. That decision was upheld by both the trial court and the Court of Appeal.³²

Assuming operating expenses rise at the same rate as the CPI per cent increase, a 3.5% rent increase (equal to 88% of the percentage increase in the CPI would be required to both cover those increased expenses and allow net operating income to increase 75% of the percentage increase in the CPI. This approach is consistent with the Commission's prior fair return decisions.

If the 3.5% amount was based on the average rent of \$879, rather than the rent for each individual space, the allowable increase in the monthly space rent would be \$30.79. For the spaces with the lowest rents, \$500 to \$600, an increase of \$30.79 would be a 5% to 6% increase.

By contrast, a 3% increase (75% of the CPI per cent increase,) as a uniform dollar amount - \$26.37 - would result in net operating income increasing by 50% of the percentage increase in the CPI.

Qualification of Recommendation

The foregoing recommendation is subject to the qualification that a modification of the allowable rent increase would be appropriate if the Commission determines that there has been a significant reduction in the level of services and/or inadequate maintenance.

Consideration of Additional Information and Comments

The discussion and conclusions in this report are subject to the qualification that they may be modified as a consequence of receiving additional information or comment prior to the hearing in this case, which is now scheduled for May. 19, 2026 (Tuesday).

³² *Supra*, note 27.

Appendix A

Consumer Price Index

**Consumer Price Index for All Urban Consumers (CPI-U)
Original Data Value**

Series Id: CUURS49ESA0

Not Seasonally Adjusted

Series Title: All items in San Diego-Carlsbad, CA, all urban consumers, not seasonally adjusted

Area: San Diego-Carlsbad, CA

Item: All items

Base Period: 1982-84=100

Years: 2000 to 2026

Year	Jan	Mar	May	Jul	Sep	Nov	Annual	
2000							182.8	
2001							191.2	
2002							197.9	
2003							205.3	
2004							212.8	
2005							220.6	
2006							228.1	
2007							233.321	
2008							242.313	
2009							242.270	
2010							245.464	
2011							252.910	
2012							256.961	
2013							260.317	
2014							265.145	
2015							269.436	
2016							274.732	
2017						285.961	283.012	July to July
2018	288.331	290.810	289.243	295.185	295.883	293.858	292.547	
2019	295.761	297.226	300.303	299.333	301.033	301.520	299.433	1.4%
2020	302.564	302.589	301.317	305.611	304.443	306.334	303.932	2.1%
2021	307.688	315.035	317.141	323.906	324.138	326.422	319.761	6.0%
2022	332.990	339.852	343.502	347.462	350.721	348.145	344.416	7.3%
2023	354.453	358.026	361.339	362.412	367.185	366.343	362.022	4.3%
2024	367.917	370.858	372.858	375.072	376.221	375.860	373.321	3.5%
2025	381.952	384.880	387.006	390.179	390.747	391.020	387.463	4.0%
2026	391.981	397.284						

Appendix B

Author's Resume

CURRICULUM VITAE

Kenneth Calvin Baar
Urban Planner & Attorney
kenbaar@aol.com

Summary of Experience – Mobile Home Park Policies

Projects:

Consultant to California cities and counties on mobilehome park policies, drafting of rent ordinances, preparation of fair return reports and expert testimony in mobilehome park rent stabilization cases, and/or mobilehome park market studies (1985-2024)

Studies for Cities of the Mobilehome Park Space Rental Market and Mobilehome Ownership in Mobilehome Parks:

Los Angeles, Ceres, El Monte, Fremont, Marina, Modesto, Montclair, Palmdale, Riverbank, Visalia

Expert Reports & Testimony on behalf of Cities and Counties in Mobilehome Park Rent Stabilization Fair Return Cases:

Azusa, Calimesa, Capitola, Carpinteria, Carson, Chula Vista, Escondido, Humboldt County, Oceanside, Palmdale, Salinas, San Luis Obispo County, San Marcos, Santa Cruz County, Santa Rosa, Simi Valley, Thousand Oaks, Vallejo, Ventura, Ventura County, Watsonville, Vallejo, Yucaipa

Consulting on Drafting Mobile Home Park Rent Legislation:

Carson, Citrus Heights, Cotati, El Monte, Fresno, Healdsburg, Milpitas, Modesto, Oceanside, Palm Desert, Perris, Riverbank, San Marcos, Santee, Sonoma, Vallejo

Citations of Publications in Appellate Court Opinions:

Publications in law journals on rent control legislation, fair return issues, and/or mobilehome park policies have been cited in numerous California Court of Appeal and Supreme Court opinions and in supreme court opinions of five states (Colorado, Maryland, Massachusetts, New Mexico, New Jersey, Washington)

Publications Related to Mobile Home Park Issues:

Baar, Protections Of (Im)mobile Home Owners from the Consequences of (Im)mobile Home Park Closures, 128 *Penn State Law Rev.* 779 - 848 (2024)

Baar, Workable Standards For Determining Allowable Rent Increases In Manufactured Housing Communities, 18 *Delaware Law Rev.* 35 – 63 (2022)

Baar, "Fair Return under Mobilehome Park Space Rent Controls: Conceptual and Practical Approaches", *29 Real Property Law Reporter* 333 (Sept. 2006, California Continuing Education of the Bar (CEB))

"Laws Protecting Mobilehome Park Residents", *Land Use and Zoning Digest* Vol. 49, 3-7 (Nov. 1997, American Planning Association)

"The Right to Sell the 'Im'mobile Manufactured Home in Its Rent Controlled Space in the 'Im'mobile Home Park: Valid Regulation or Unconstitutional Taking?", *24 Urban Lawyer* 107-171 (Winter 1992, American Bar Ass'n)

Education:

B.A., 1969, Wesleyan University, Middletown, Conn. Major: Government

J.D., 1973, Hastings College of Law, Univ. of California, San Francisco, Ca.

M.A., 1982, Urban Planning, University of California at Los Angeles

Ph.D., 1989, Urban Planning, University of California at Los Angeles
(Dissertation topic: "Explaining Crises in Rental Housing Construction: Myth and Schizophrenia in Policy Analysis")

Foreign Languages: French and Italian

Teaching:

Instructor, San Francisco State University, Urban Studies Program (1983-1984)

Visiting Professor (Fulbright Scholar), Budapest University of Economic Sciences (Sept. 1991- June 1993)

Visiting Assistant Professor, Urban Planning Department, School of Architecture, Planning, and Preservation, Columbia University, New York (1994 - 1995) (courses: planning law, introduction to housing, comparative housing)

Visiting Professor (Fulbright Scholar), Technical University, Tirana, Albania
(Introduction to urban planning) (2002-2003)

Projects

Studies of Performance of Rental Housing Investments and increases in apartment operating costs commissioned by the City of Los Angeles (2009, 2024) and San Jose (2016) (in association with the Economic Roundtable, Los Angeles)

Study of Development Impact Fees for the City of Los Angeles (in association with Economic Roundtable, Los Angeles) (2009-2010)

Consultant to California cities drafting of apartment rent control ordinances and/or regulations. San Jose, Oakland, Santa Monica, Cotati, East Palo Alto.

Consultant to Takoma Park, Maryland, Drafting Rent Stabilization ordinance and Rent Petition Analyst (2006-2022)

Institute of Transportation and Development Policy (New York City), Study on European policies governing location of shopping malls (2001-2002)

Consultant to World Bank (Budapest office), Studies on municipal contracting out of public services, policies for the provision for the provision of district heating, and land use policies in Hungary (1998-1999)

Urban Institute, U.S. Aid for International Development (A.I.D.) funded technical assistance, Hungarian Subnational Development Project (1998 & 1999)

Consultant, Institute for Transportation and Development Policy, to East European Organizations on Transportation Policies (1997-98)

U.S.A.I.D. funded technical assistance to Albanian Ministry of Construction (Sept. 1993-March 1994)

Consultant, East European Real Property Foundation, (U.S. A.I.D. funded), development of education and training in Hungary (July 1993)

Study of Hungarian Land Use Regulations (1992, publication and technical assistance sponsored by Urban Institute, Wash. D.C.)

Report for Hungarian Ministry of Justice, Comparison of Landlord-Tenant Law in France, United States, and Hungary (1992, funded by Urban Institute, Wash. D.C.)

Consultant, City of Santa Monica, Cal., Incentive Housing Program

Consultant, State of New Jersey Attorney General and Public Advocate, on fair return standards under state statute regulating evictions of senior citizens from condominiums

Studies of Impacts of Local Regulations on Housing Supply, Cities of Santa Monica and Fremont, Cal.

Preparation of a Guide for New Jersey Rent Control Boards on Fair Return Standards and Landlord Hardship Applications (National Housing Law Project, 1981)

Research and Writing Articles on Inequalities in Property Tax Assessments (Legal Services Corporation, Washington, D.C., 1982-83)

Preparation of apartment operating cost studies for the cities of Berkeley, Santa Monica, and San Jose, California)

Publications

Articles

Baar, Protections Of (Im)mobile Home Owners from the Consequences of (Im)mobile Home Park Closures, 128 *Penn State Law Rev.* 779 - 848 (2024)

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Baar, "Fair Return under Mobilehome Park Space Rent Controls: Conceptual and Practical Approaches:", 29 *Real Property Law Reporter* 333 (Sept. 2006, California Continuing Education of the Bar (CEB))

"Legislative Tools for Preserving Town Centres and Halting the Spread of Hypermarkets and Malls Outside of Cities" published in *Etudes Foncières* (Land Studies) No. 102, pp. 28-34 (March-April 2003, Paris, translated into French); also published in *Falu, Varos, es Regio* (Village, Town, and Region), issue no. 2, pp. 11-22 (2003), (Budapest, translated into Hungarian)

"Contracting Out Local Public Services in a Transition Economy," *Review of Central and Eastern European Law*, Vol. 25, No. 4, 493-512, September 2000, (Leiden, Netherlands)

"Contracting Out Municipal Services: Transparency, Procurement, and Price Setting Issues", *Hungarian Public Administration*, Vol. 49, No. 3, May 1999 (translated into Hungarian)

"Laws Protecting Mobilehome Park Residents", *Land Use and Zoning Digest* Vol. 49, 3-7 (Nov. 1997, American Planning Association)

"The Anti-Apartment Movement in the U.S. and the Role of Land Use Regulations in Creating Housing Segregation", *Netherlands Journal of Housing and the Built Environment*, Vol. 11, no.4, 359-380 (1996)

"La resistance au logement collectif", *Etudes Foncières*, Vol. 67, 44-48, (June 1995, Paris, Association des Etudes Foncières)

and

"Il Movimento Contro Gli Edifici Multifamiliari Negli Stati Uniti, *Storia Urbana*, Vol 66, 189-212 (1994, Milan, Italy)

(translated versions of "The National Movement to Halt the Spread of Multi-family Housing (1890-1926)", *Journal of the American Planning Association*, Vol. 58, no. 1, 39-48, Dec. 1991)

"Impacto del precio del suelo y de las normas sobre su uso en el precio y la distribucion de las viviendas en USA", *La Vivienda*, no. 23, 43-51 (1993, National Mortgage Bank of Spain) ["The Impact of Land Costs and Land Regulations on the Cost and Distribution of Housing in the United States"]

"A Teruletrendezes Dilemmái a Demokratikus Piacgazdaságon", *Ter es Tarsadalom*, Vol.6, no. 1-2, 89-99 (1992, Budapest) ["Dilemmas of Land Use Planning in a Democracy with a Market Economy", Space and Society]

"The Right to Sell the 'Im'mobile Manufactured Home in Its Rent Controlled Space in the 'Im'mobile Home Park: Valid Regulation or Unconstitutional Taking?", Urban Lawyer Vol. 24, 107-171 (Winter 1992, American Bar Ass'n)

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"Facts and Fallacies in the Rental Housing Market", Western City, Vol. 62, no.9, 47 (Sept. 1986, California League of Cities)

"California Rent Controls: Rent Increase Standards and Fair Return", Real Property Law Reporter, Vol. 8, no. 5, 97-104 (July 1985, California Continuing Education of the Bar)

"Rent Control: An Issue Marked by Heated Politics, Complex Choices and a Contradictory Legal History", Western City, (League of California Cities), Vol. 60 (June 1984)

"Rent Controls and the Property Tax Base: The Political-Economic Relationship", Property Tax Journal Vol. 3, no. 1, 1-20 (March 1984)

"Il Dibattito Sul Controllo Degli Affitti Negli Stati Uniti", Bolletino Daest (Sept. 1984, University of Venice) ["The Debate Over Rent Controls in the United States"]

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"Defining 'Fair Return' For Rent Controlled Landlords", 59 New Jersey Municipalities (no. 3) 24 (1982)

"Property Tax Assessment Discrimination Against Low-Income Neighborhoods", Urban Lawyer, Vol. 13, 333-405 (1981, American Bar Ass'n)

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(Coauthors Baar and Keating) "Controlling Rent Control", 2 New Jersey Reporter (no. 4) 19-25 (October 1981)

"Land Banking and Farm Security Loans", Economic Development Law Project Report, Vol. 8, no. 4, 1978)

"Rent Control in the 1970's: The Case of the New Jersey Tenants' Movement", 28 Hastings Law Journal 631-683 (1977)

(Coauthors Pearlman and Baar) "Beyond the Uniform Relocation Act: Displacement by State and Local Government, Clearinghouse Review, Vol. 10, 329-345 (1976)

(Coauthors Baar and Keating) "The Last Stand of Economic Substantive Due Process: The Housing Emergency Requirement for Rent Control", Urban Lawyer, Vol. 7, 446-509 (1975)

Chapters in Books

Baar, "Contracting Out Municipal Services: Transparency, Procurement, and Price-Setting Issues," (ch. 15), "Land Use Regulation" (ch.21), and "Financing and Regulating District Heating (ch 26) Intergovernmental Finance in Hungary (2005, World Bank)

"Open Competition, Transparency, and Impartiality in Local Government Contracting Out of Services" (Chapter 2), Navigation to the Market Regulation and Competition in Local Utilities in Central and Eastern Europe, ed. Peteri and Horvath (2001, Local Government and Public Service Reform Initiative, Open Society Institute, Budapest)

"New Jersey's Rent Control Movement" (Chapter 10) and "Controlling "Im"Mobile Home Space Rents", (Chapter 13), ed. Keating, Tietz, & Skaburskis, Rent Control: Regulation and the Rental Housing Market (1998, Center for Urban Policy Research, Rutgers University.

Hungarian Land Use Policy in the Transition to a Market Economy with Democratic Controls", Land Tenure and Property Development in Eastern Europe (1993, Association des Etudes Foncieres, Paris)

"Peacetime Municipal Rent Control Laws in the United States: Local Design Issues and Ideological Policy Debates", ed. van Vliet, Choldin, Michelson, and Popenoe, Housing and Neighborhoods, ch.15 (1987, Greenwood Press)

"Rent Control", California Residential Landlord-Tenant Practice, Chapter 9 (1986, California, Continuing Education of the Bar)

Books

Editors Baar and Pojani, Urban Planning in a Market Economy, (Tirana, Albania 2004); author of chapters: "Decentralization in Service Provision and Urban Planning - An International Perspective, Private", "Property Rights, Public Expropriations, and Public Rights to Undertake Urban Planning", "Contracting Out Public Services in Hungary - Regulatory, Contracting and Transparency Issues". Coauthor of chapters: "Urban Planning in a Democracy with a Market Economy", "Local Service Provision in Albania".

Reports

"The Context for Rent Regulation" (Ch. 10); "Increases in Apartment Operating Costs" (Ch. 12); "Returns from Rental Properties" (Ch. 13); "Allowable Annual Rent Adjustment Under Other Rent Stabilization Laws in California" (Ch. 14); "Impacts of Alternate Policies Related to the Efficacy of the RSO Annual Adjustment Formula" (Ch. 15); "Allowable Additional Rent Increases for Apartment Owners Who Pay for Gas and/or Electricity" (Ch. 16), *Equitable Rent, Rent Stabilization Standards in the City of Los Angeles* (Sept. 2024, study commissioned by the City of Los Angeles Housing Department)

"Standards for Allowable Rent Increases and Increases in Market Rent Levels" (Ch. 4); "Individual Rent Adjustment Standards under the ARO and Constitutional Standards for Fair Return" (Ch. 5); "Financial Outcomes for Owners of Apartment Buildings covered by the ARO", Ch. 6. Study of the Apartment Rent Ordinance of the City of San Jose (2016, commissioned by the City of San Jose)

"Mobilehome Park Housing in El Monte Issues and Policy Options (2015, commissioned by the City of El Monte)

"The Economics of Mobilehome Ownership and Mobilehome Park Ownership in the City of Los Angeles and a Comparison of Local Regulations of Mobilehome Park Space Rents" (May 2011, commissioned by the City of Los Angeles)

"Impacts of the Rent Stabilization Ordinance on the Outcomes of Apartment Investments" (Ch. 4) and "Rent Increase Standards: Los Angeles Rent Stabilization Ordinance (RSO) and Comparison with Ordinances in Other California Cities" (Ch. 5), Economic Study of the Rent Stabilization Ordinance and the Los Angeles Housing Market, (commissioned by City of Los Angeles Housing Dept. 2009)

Expert Witness in Trial Courts (on behalf of cities):

Baker v. City of Santa Monica (1982, Los Angeles County Superior Court)

Hozz v. City and County of San Francisco (1984, Superior Court, San Francisco County)

Segundo v. City of Rancho Mirage and *Kapp v. City of Cathedral City* (1985, U.S. Federal District Court, Los Angeles)

Kirkpatrick v. City of Oceanside (1993, Superior Court, San Diego County)

440 Company v. Borough of Fort Lee, New Jersey (1996, U.S. Federal District Court, New Jersey)

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Colony Cove Properties v. City of Carson (2016, Federal District Court, Southern District California)

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Fisher v. City of Berkeley, 37 Cal.3d. 644; 209 Cal.Rptr. 682 (1984) California Supreme Court; *affirmed*, 475 U.S. 260 (1986)*

Oceanside Mobile Home Park Owners Association v. City of Oceanside, 157 Cal.App.3d. 887 (1984) California Court of Appeals*

Mayer v. Jackson Township, 103 N.J. 362; 511 A.2d. 589 (1986) New Jersey Supreme Court; *cert. denied*, 479 U.S.1090 (1987)*.

Yee v. Mobilehome Park Rental Review Board, 17 Cal. App. 4th 1097 (1993) California Court of Appeals*

Palomar Mobilehome Park v. City of San Marcos, 16 Cal.App.4th 481 (1993) California Court of Appeals *

Kavanau v. Santa Monica Rent Control Board, 16 Cal.4th. 761 (1997) California Supreme Court); *cert. denied*, 522 U.S. 1077, 118 S.Ct. 856, 139 L.Ed. 2d. 755 (1998)*

Quinn v. Rent Control Board of Peabody, 45 Mass. App.Ct. 357, 698 N.E.2d.911 (1998, Massachusetts Court of Appeal)*

Galland v. City of Clovis, 24 Cal.4th 1003, 103 Cal.Rptr.2d. 711 (2001) California Supreme Court*

MHC Operating Limited Partnership v. City of San Jose, 106 Cal. App.4th (2003) California Court of Appeal*

TG Oceanside, L.P. v. City of Oceanside, 156 Cal. App.4th 1355 (2007) California Court of Appeal*

Owen v. Portland, 36 Ore. 661; 497 P.2d. 1216 (2021)

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Rainbow Disposal Co., Inc. v. Mobilehome Park Rental Review Board, 64 Cal.App.4th 1159 (1998) California Court of Appeal

Cashman v. City of Cotati, U.S. District Court, N.D. Cal., No. C99-03641 (Findings of Fact and Conclusions of Law, Sept. 13, 2002)(unpublished)

MHC Operating Limited Partnership v. City of San Jose, 106 Cal. App.4th 204 (2003) California Court of Appeal

Hillsboro Properties v. Public Utilities Commission, 108 Cal.App.4th 246 (2003) California Court of Appeal

Berger Foundation v. Escondido, 127 Cal.App.4th 1 (2005) California Court of Appeal

Los Altos El Granada Investors v. City of Capitola, 139 Cal. App. 4th 629 (2006) California Court of Appeal

Besaro v. City of Fremont, 204 Cal. App.4th 345 (2012) California Court of Appeal

Colony Cove v. City of Carson, 220 Cal. App. 4th 840 (2013) California Court of Appeal

Expert Reports on Fair Return Rent Increase Applications – Prepared on Behalf of California Cities

Azusa,

Arrow Pines (2001)

Calimesa,

Ponderosa (2008)

Rancho Calimesa (2016)

Capitola

Castle MHP (2000)

Carpinteria,

Vista de Santa Barbara (2002)

Carson,

Carson Gardens (2003)

Park Villa (2004)

Park Granada (2004)

Vista del Loma (2006)

Laco (2007)

Carson Gardens (2007)

Colony Cove (2008)

Colony Cove (2009)

Colony Cove (2011)

Laco (2011)

Colony Cove (2012)

Rancho Dominguez (2025)

Chula Vista,

Bayscene MHP (2006)

Escondido,

Carefree Ranch (1995)

Town and Country (1995)

Westwinds (1995)

Lake Bernardo (1996)

Valley Parkway (1997)

Mobilepark West (1997)

Eastwood Meadows (1997)

Ponderosa (1997)

Casa de Amigos (1997)

Town and Country (1999)

Greencrest (1999)

Casa de Amigos (2001)

Town and Country (2002)

Town and Country (2005)

Mobilehome Park West (2006)

Sundance (2013)

Sundance (2016)

Humboldt County

Ocean West (2017)

Oceanside

El Camino (2014)

Palmdale.

Grecian Island (2007)

Mountain View (2007)

Salinas.

Alisal Country Estates (1997)

San Luis Obispo County.

Oak Terrace (2008)

San Marcos.

Villa Vista (2008)

Villa Vista (2010)

Rancho San Marcos (2010)

San Marcos Mobile Estates (2022 & 2023)

Santa Rosa.

Coddington (2003)

Thousand Oaks

Thunderbird (2010)

Ranch (2010)

Vallejo.

Vallejo Mobile Estates (2002)

Tall Trees Mobilehome Park (2002)

Ventura.

Stardust (2003)

Ventura County

Ojai Valley Estates (2017)

Watsonville.

Colonial Manor (1998)

Portola Heights (2001)

Meadows Manor (2008)

Green Valley (2012)

Monterey Vista (2022)

Yucaipa.

Wishing Well (2004)
Valley Breeze (2008)
Grandview West (2009)
Yucaipa Village (2011)
Carriage Trade Manor (2017)
Valley View (2020)

Studies of the Mobilehome Park Housing Market Commissioned by Cities

Fremont (1991)
Montclair (1998)
Modesto (2007)
Ceres (2008)
Palmdale (2008)
Riverbank (2008)
Marina (2009)
Visalia (2009)
Los Angeles (2011)
El Monte (2015)