



AGENDA REPORT

Department: Housing Authority
Prepared by: Carlos Aguirre, Housing Director
Meeting Date: Tuesday, October 18, 2022
Approved by: Brad Raulston, City Manager

SUBJECT:

*Initiation of an Ordinance pertaining to Mobilehome Park Rent Stabilization in National City.
(Housing Authority)*

RECOMMENDATION:

Discuss and provide staff direction.

BOARD/COMMISSION/COMMITTEE PRIOR ACTION:

Not Applicable.

EXPLANATION:

The ongoing housing crisis affecting National City has been exacerbated by the negative economic effects of COVID-19 and the increase of homelessness throughout the region. The County of San Diego recently declared a public health crisis due to the rapid increase in homelessness on September 22, 2022. The National City City Council has received numerous comments and complaints regarding significant rent increases on mobilehome space rents. The supply of mobilehome parks is very limited in National City, with little to no vacancies advertised at most mobilehome parks. The limited supply of such spaces and mobilehomes contributes to escalating rents in a manner that would, in absence of regulation, result in the elimination of mobilehomes as a source of affordable housing for seniors, veterans, and families.

The State of California' Mobilehome Residency Law ("MRL"), found in California Civil Code Section 798 establishes the rights and responsibilities of homeowners and park management including the terms and conditions for tenancies. The MRL was recently amended by Assembly Bill 978 which prohibits management of a qualified mobilehome park from increasing the gross rental rate for a tenancy for a mobilehome space more than 3% plus the percentage change in the cost of living, as defined, or 5%, whichever is lower, of the lowest gross rental rate charged at any time during the immediately preceding 12 months. Assembly Bill 978 also prohibits management of a qualified mobilehome park from increasing the gross rental rate for a tenancy in more than 2 increments over a 12-month period, after the tenant maintains a tenancy over a 12-month period. The State's law defines "qualified mobilehome park" as a mobilehome park that is located within and governed by the jurisdiction of two or more incorporated cities.

National City has four mobilehome parks with one park currently covered by the rent cap implemented by AB 978 since a portion of the park is located in City of San Diego and a portion in National City.

National City Mobilehome Parks

Mobilehome Park Name	Address	Approx. No. of Spaces	AB 978 Qualified Mobilehome Park
Bonita Paradise	3131 Valley Road, National City	167*	Yes
Bonita Vista	2621 Sweetwater Road, National City	87	No
Happy Hollow	999 E. Division Street, National City	90	No
Keystone	3221 National City Blvd., National City	91	No

*approximately half of the total units are in the City of National City

There are six jurisdictions in County of San Diego that have ordinances regulating rent in mobilehome parks. The most recent ordinance was adopted by emergency by the City of Imperial Beach on October 5, 2022 and does not allow rent to be increased more than 3% during the term of the ordinance. The term of the ordinance for Imperial Beach would end 60 days after the end of the local COVID-19 emergency or the County of San Diego's declaration of a public health crisis due to the rapid increase in homelessness, whichever occurs first.

Mobile Home Rent Stabilization Ordinances in San Diego County

City	Year of Ordinance	No. of Mobile Home Parks	No. of Units	Rent Cap Structure
Chula Vista	1997	30	3414	100% CPI < 3%, 75% CPI > 3%
Escondido	1988	30	3185	Board/ Commission Review
Imperial Beach	2022	*	*	3% cap during State of Emergency
Oceanside	1982	20	2401	100% CPI, 8% cap
San Marcos	1980	12	2312	Board/ Commission Review
Santee	1989	11	2004	See Title 2, Chapter 2.44 of Santee Municipal Code

*data not available

The attached Mobilehome Rent Stabilization Ordinance ("Ordinance") for City Council's consideration would implement the rent cap adopted by the State of California to mobilehome parks in National City not currently regulated by the provisions of AB 978. The Ordinance would prohibit management of a mobilehome park from increasing the gross rental rate for a tenancy for a mobilehome space more than 3% plus the percentage change in the San Diego Metropolitan Area U (broader base) Consumer Price Index, as defined, or 5%, whichever is lower, from the lowest gross rental rate charged at any time during the immediately preceding 12 months. The Ordinance would not allow the rent to be increased more than two times in any 12-month period during the term of the Ordinance.

The Ordinance also provides for both civil and criminal remedies if rent in excess of the maximum rent allowable is collected. The Ordinance would be retroactive to July 1, 2022 and rent increases occurring on or after July 1, 2022 would have to be in conformance with the Ordinance. The Ordinance serves as a temporary relief measure for two years and would expire on June 30, 2024.

If the Council initiates the adoption of the Ordinance it will be scheduled for introduction on November 1, 2022 and the second reading and adoption on November 15, 2022.

FINANCIAL STATEMENT:

None.

RELATED CITY COUNCIL 2020-2025 STRATEGIC PLAN GOAL:

Housing and Community Development

ENVIRONMENTAL REVIEW:

This is not a project under CEQA and is therefore not subject to environmental review.CCR15378;
PRC 21065.

PUBLIC NOTIFICATION:

Agenda Report posted within 72 hours of meeting date and time in accordance with Brown Act.

ORDINANCE:

Not Applicable

EXHIBITS:

Exhibit A – Draft Mobilehome Rent Stabilization Ordinance