

RESOLUTION NO. 2024 -

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY, CALIFORNIA, AUTHORIZING THE CITY MANAGER TO EXECUTE A MOBILEHOME PARK MEMORANDUM OF UNDERSTANDING AND AGREEMENT AFFECTING REAL PROPERTY BY AND AMONG THE CITY OF NATIONAL CITY AND BONITA PARADISE, LLC, BONITA VISTA MHP, HAPPY HALLOW MHP LP, AND KEYSTONE TP FOR A TERM OF TEN YEARS, EFFECTIVE JANUARY 1, 2025.

WHEREAS, on December 6, 2022, the City Council of the City of National City ("City") adopted an Ordinance ("Ordinance") amending Title 9 of the National City Municipal Code by adding Chapter 9.64 which protects mobilehome owners and mobilehome residents (collectively "Tenants") from excessive rent increases; and

WHEREAS, there are four mobilehome parks within the City limits, which include Bonita Paradise, LLC, Bonita Vista MHP, Happy Hollow MHP LP, and Keystone TP (collectively "Parks" or "Owners"); and

WHEREAS, Chapter 9.64.110 of the Municipal Code has a sunset provision of December 31, 2024; and

WHEREAS, because the sunsetting of the Ordinance could leave tenants vulnerable to unregulated rent increases, City staff searched for a longer-term solution that would extend the benefits of the current Ordinance to Tenants while avoiding costly litigation from Owners by not allowing them to receive a reasonable return on rent; and

WHEREAS, City staff has met with the Owners to discuss and consider alternatives and worked to develop and negotiate the final terms of a Mobilehome Park Memorandum of Understanding and Agreement Affecting Real Property ("MOU"); and

WHEREAS, the MOU is intended to: (1) operate as an alternative to a rent stabilization ordinance; (2) avoid excessive rent increases for the spaces in the Parks; and (3) provide the Owners with the opportunity to receive a reasonable return on their investment in the parks; and

WHEREAS, during the period in which this MOU is in effect, the City intends not to enforce or impose the provisions of any City ordinance or regulation with respect to the amount of rent charged by the Owner for occupancy of any mobilehome spaces or any City-adopted rent stabilization ordinance within the Parks; and

WHEREAS, in the event the Parks become subject to a rent stabilization law or ordinance at some point after the effective date of this MOU, nothing in this MOU shall prevent the Owner from applying for any rent increase the Owner may be entitled to, including a Vega adjustment and/or a fair return adjustment; and

WHEREAS, the City and Owners intend that this MOU will govern the Parks, the rights of the Owners, and Tenants in those Parks (who are third party beneficiaries) during the term and provide protections and benefits to the Owners and Tenants; and

WHEREAS, the Owners and the City acknowledge that the parties may discuss potential amendments to this MOU at any time during the term of this MOU, provided such amendments will be subject to approval by the City Council and the applicable Owner.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF NATIONAL CITY, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE, AND ORDER AS FOLLOWS:

Section 1: That the City Council hereby authorizes the City Manager to execute a Mobilehome Park Memorandum of Understanding and Agreement Affecting Real Property by and among the City of National City and Bonita Paradise, LLC, Bonita Vista MHP, Happy Hallow MHP LP, and Keystone TP for a term of ten years, effective January 1, 2025. The memorandum of understanding is attached to the Agenda Report as Exhibit A.

Section 2: That the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

PASSED and ADOPTED this 17th day of September, 2024.

Ron Morrison, Mayor

ATTEST:

Shelley Chapel, MMC, City Clerk

APPROVED AS TO FORM:

Barry J. Schultz, City Attorney