

NB-28

November 19, 2019

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Request the City Attorney to draft an urgency Ordinance to temporarily limit mobile home space rent increases until permanent rent stabilization policy options are considered; and, direct the City Manager to prepare a thorough report on long-term mobile home rent stabilization options and present recommendations on a local policy for consideration. (Citywide)

DISCUSSION

At its October 22, 2019 meeting, the City Council requested the City Manager to work with the City Attorney to research options available to local municipalities for the regulation of mobile home park space rents, including the possibility of a rent stabilization ordinance. Staff has conducted a preliminary review of rent stabilization ordinances and other approaches to maintaining housing affordability at mobile home parks being implemented in cities throughout California.

In 1978, California enacted the Mobile Home Residency Law (MRL), which regulates mobile home park tenancies, including rental agreements, fees and charges, and terminations of tenancy. The MRL limits the bases upon which a mobile home park owner may terminate a mobile home owner's tenancy, including requiring just causes such as nonpayment of rent, the homeowner's violation of law or park rules, and the park owner's desire to change the use of its land. However, the MRL is silent on the limits the amount of rent that a mobile home park owner may charge and allows for rent increases for pass-through costs associated with capital improvements, tax increases, and other government fees and assessments.

There are currently ten land-lease mobile home parks in Long Beach, containing a total of 1,696 mobile home spaces (Attachments A, B). The term "land-lease" describes mobile home parks owned by a single owner or operator, which then leases the individual spaces to mobile home owners. These 1,696 units comprise approximately 1 percent of the housing stock in the Long Beach. Of the 1,696 land-lease mobile home spaces, 557 (33 percent) are in mobile home parks that restrict residency to seniors age 55 and over. Currently, no mobile home park has a recorded affordability covenant with the City. According to U.S. Census Bureau data, approximately 4,750 residents live in land-lease mobile home parks throughout Long Beach.

One mobile home park, Windward Village at 3595 Santa Fe Avenue, was converted into a Planned Unit Development (PUD) in 2006. In a PUD, mobile homeowners purchase individual spaces rather than renting them, and ongoing operations are run by a homeowners' association (HOA). Additionally, there are a total of 183 recreational vehicle (RV) spaces in Long Beach that are governed separately by the Recreational Vehicle Park Occupancy Law. Any rent stabilization policy adopted by the City Council will not apply to PUDs or RV parks.

Mobile Home Market Characteristics

Mobile home parks occupy a unique niche in the housing market, where mobile home park tenants are both renters of a park space and owners of their individual homes. These homeowners/tenants are typically lower-income households and are often seniors living on fixed incomes. Several court cases, such as Lanca Homeowners, Inc., v. Lantana Cascade of Palm Beach, Ltd, Galland v. City of Clovis, and Adamson Companies v. City of Malibu have noted the inequitable conditions between tenants and park owners based on the economic imbalance in favor of mobile home park owners given the immobility of the homes, the investments homeowners make to enhance their park spaces, and the restrictions on their spaces. Mobile home owners may face an absence of meaningful choice in terms of responding to an increase in space rents, as space vacancies are scarce and the cost of moving the home is often a significant component of the value of the mobile home itself. Mobile homes are rarely moved after their initial installation in a mobile home park space, and vacancy rates in urban areas for mobile home parks are low. Mobile homes are very likely to only be used on the space where they are currently located, and it is usually prohibitively expensive to move them.

Mobile Home Park Rent Stabilization Ordinances

Based on staff research, approximately 100 jurisdictions in California have adopted a mobile home Rent Stabilization Ordinance (RSO). These Ordinances typically include the following key components:

- Limits the amount and number of rent increases per year.
- May include just cause termination provisions.
- May include vacancy control or decontrol provisions.
- Includes pass-through allowances of expenses (taxes, capital improvements, and fees).
- Includes an Oversight Board.
- Includes city administration and enforcement.

Alternative Approach

A small number of jurisdictions in California, including the Cities of Modesto, Napa, Ontario, Rancho Cucamonga, and San Dimas have implemented a Memorandum of Understanding (MOU) approach to address rent stabilization terms and other issues that the State law remains silent on.

A MOU is a mutual agreement between the City, local mobile home park owners, and tenants that may include the following components:

- Exempts park owners from any subsequent rent stabilization Ordinance by the City;
- Limits the amount and number of rent increases per year;
- Caps rents to a predetermined "Base Year" and may allow increases based on parameters agreed upon by the City and participating park owners; and,
- Includes pass-through allowances of expenses (taxes, capital improvements, and fees).

The implementation of an MOU as an alternative to a permanent Ordinance is an option that staff will explore during its full analysis for a comprehensive long-term plan.

Next Steps

This report is based on preliminary research and analysis given the short period of time. Staff was unable to obtain data, including the incomes of mobile home park tenants in the City, or the current and historical rents and trends at individual mobile home parks. With direction from the City Council, staff would continue researching this issue to develop a long-term solution and obtain the data necessary to examine rent trends and current affordability status as compared to current resident incomes. If staff receives direction to move forward with preparation of a more thorough report, then staff expects to hire an expert housing/finance consultant to assist in preparing a report on mobile home rent stabilization approaches and recommendations for the City Council's consideration. The scope for this work will include data collection and analysis, community engagement, and the preparation of a report and recommendations.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on November 14, 2019 and by Budget Analysis Officer Julissa Jose-Murray on November 15, 2019.

TIMING CONSIDERATIONS

City Council action is requested on November 19, 2019.

HONORABLE MAYOR AND CITY COUNCIL

November 19, 2019

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STATEMENT OF URGENCY

Immediate action is requested to allow the City Attorney to draft an urgency Ordinance to ensure no additional mobile home rent increases occur while a mobile home rent stabilization study is being conducted.

FISCAL IMPACT

This recommendation has no staffing impact beyond the budgeted scope of duties and is consistent with existing City Council priorities. The Development Services Department estimates the cost for a consultant can be absorbed within the exiting budget in the Housing Development Fund Group, should the costs for a consultant be greater than estimated the department would return to the City Council for an appropriation adjustment. There is no fiscal or local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



LINDA F. TATUM, FAICP
DIRECTOR OF DEVELOPMENT SERVICES

APPROVED:



THOMAS B. MODICA
ACTING CITY MANAGER

ATTACHMENTS: ATTACHMENT A - LONG BEACH MOBILE HOME PARK DATA
ATTACHMENT B - MOBILE HOME PARK MAP

Attachment A

Land-Lease Mobile Home Parks

Land-lease mobile home parks are owned wholly by an investor or operator, who leases individual lots in the park to mobile home owners.

#	Park Name	Park Address	Senior Only	Planned Unit Development	Council District	MH Spaces	RV Spaces	Operated by
1	Belmont Shores Mobile Estates	6230 MARINA VIEW DRIVE, LONG BEACH, CA 90803, (562) 431-4132	Yes	No	3	347	0	WESSEX INVESTMENT, 2716 OCEAN PARK BLVD Suite # 2025, SANTA MONICA, CA 90405
2	Arbor Mobile Village	300 E ARBOR ST, LONG BEACH, CA 90805, (310) 422-3666	Yes	No	8	64	0	STEELE BOGGS KENDALL & FABECK, 80 S LAKE AVE Suite # 719, PASADENA, CA 91101
3	Best Trailer Park	5602 LONG BEACH BLVD, LONG BEACH, CA 90805, (562) 422-5757	No	No	8	169	7	DZIKOWSKI INVESTMENTS LLC, 33175 TEMECULA PKWY, STE A #343, TEMECULA, CA 92592
4	Las Brisas Courtyard	400 & 413 E ARBOR STREET, LONG BEACH, CA 90805, (562) 423-5267	No	No	8	94	0	SHEPHERD, DONALD, 400 EAST ARBOR STREET ATTN:OFFICE, LONG BEACH, CA 90805
5	Del Amo Trailer Park	4895 OREGON AVE, LONG BEACH, CA 90805, (310) 422-2884	Yes	No	8	146	0	LES FRAME ENTERPIRSES, INC, 1635 AVIATION BLVD, REDONDO BEACH, CA 90278
6	Shady Acres Mobile Home Park	5533 LONG BEACH BLVD, LONG BEACH, CA 90805, (562) 423-0540	No	No	8	107	0	MOBILE HOME GROUP II, LP, 4900 SANTA ANITA AVE Suite # 2C, EL MONTE, CA 91731
7	Wayside Trailer Park	234 E 47TH ST, LONG BEACH, CA 90805, (310) 428-0633	No	No	8	50	0	DIVERSIFIED INCOME PROPERTIES L.P, 44104 ROYAL TROON DR, INDIO, CA 92201
8	Friendly Village of Long Beach	5450 PARAMOUNT BLVD, LONG BEACH, CA 90805, (562) 531-3002	No	No	8	181	0	FRIENDLY VILLAGE MHP ASSOCIATES LP, 320 N PARK VISTA ST, ANAHEIM, CA 92806
9	Villa Park Mobile Estates	6475 ATLANTIC AVE, LONG BEACH, CA 90805, (562) 422-3140	No	No	9	432	0	LB VILLA PARK, LLC, C/O LES FRAME MANAGEMENT, INC 1635 AVIATION BLVD, REDONDO BEACH, CA 90278
10	Westland Trailer City	6665 LONG BEACH BLVD, LONG BEACH, CA 90815, (310) 639-7130	No	No	9	106	99	ALEVY WESTLAND MHP LLC, 520 W WILLOW ST, LONG BEACH, CA 90806
					TOTAL	1696	106	

Non-Land-Lease Parks (RV Parks & Planned Unit Developments)

The following parks are not considered land-lease mobile home parks because they either:

- Serve recreational vehicles (RVs) only and are governed by different occupancy laws; or
- Are a planned unit development (PUD) in which individual spaces can be purchased by home owners and operations are run by a homeowners' association (HOA).

#	Park Name	Park Address	Senior Only	Planned Unit Development	Council District	MH Spaces	RV Spaces	Operated by
11	Golden Shore RV Park	101 GOLDEN SHORE, LONG BEACH, CA 90802	No	No	2	0	77	WASSIK, KIM, 101 GOLDEN SHORE, LONG BEACH, CA 90802
12	Windward Village	3595 SANTA FE AVE, LONG BEACH, CA 90810, (562) 424-3233	No	Yes	7	305	0	WINDWARD VILLAGE HOMEOWNERS ASSO-OFFICE, C/O LES FRAME MGMT 1635 AVIATION BLVD, REDONDO BEACH, CA 90278
					TOTAL	305	77	

Mobile Home Parks

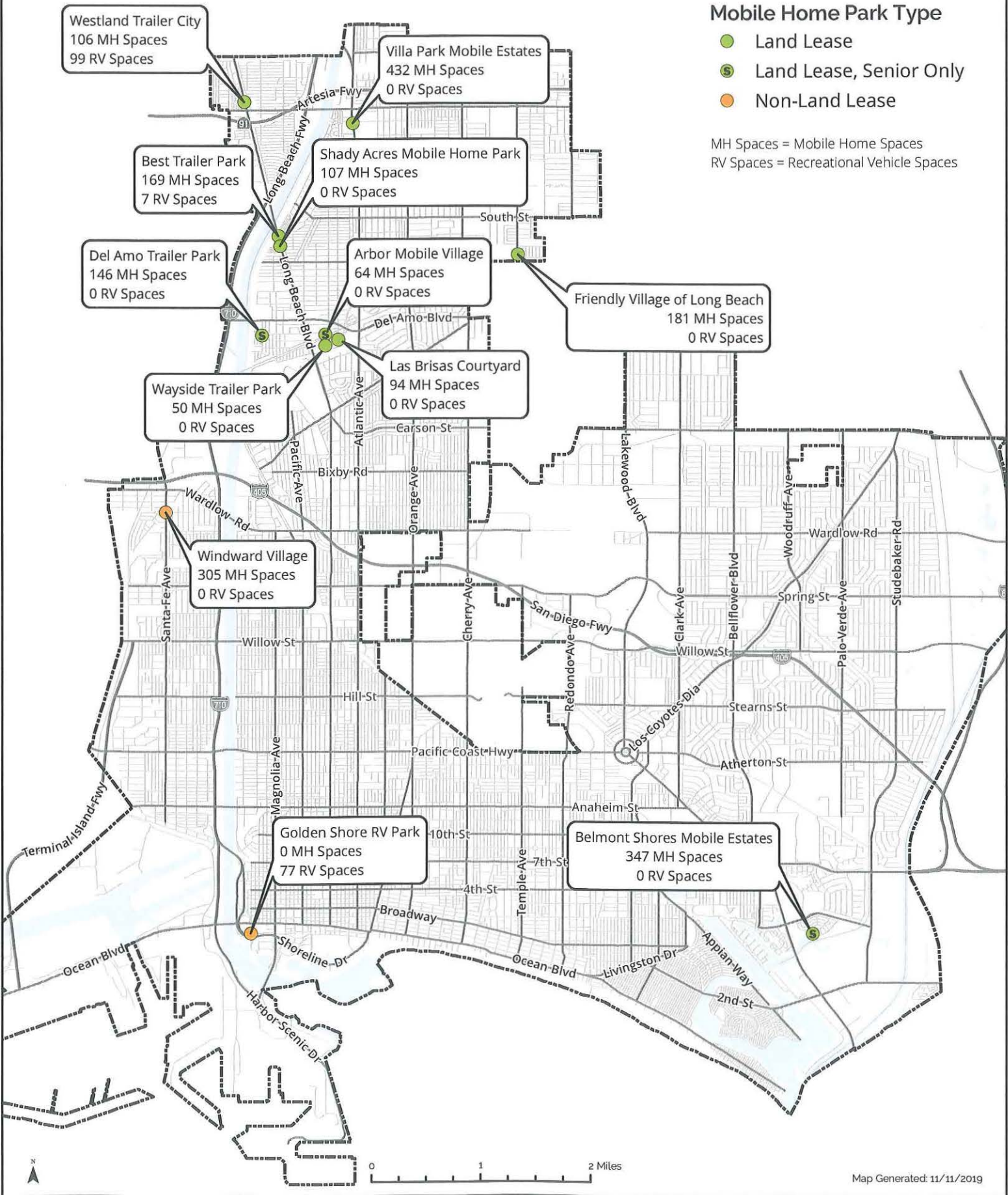
City of Long Beach

Attachment B

Mobile Home Park Type

- Land Lease
- Land Lease, Senior Only
- Non-Land Lease

MH Spaces = Mobile Home Spaces
RV Spaces = Recreational Vehicle Spaces





City of Long Beach Memorandum
Working Together to Serve

REQUEST TO ADD AGENDA ITEM

Date: November 15, 2019
To: Monique De La Garza, City Clerk
From: Thomas B. Modica, Acting City Manager *T.M.*
Subject: Request to Add Agenda Item to Council Agenda of November 19, 2019

Pursuant to Municipal Code Section 2.03.070 [B], the City Councilmembers signing below request that the attached agenda item (due in the City Clerk Department by Friday, 12:00 Noon) be placed on the City Council agenda via the supplemental agenda.

The agenda title/recommendation for this item reads as follows:

Consider directing the City Attorney to draft an urgency Ordinance to temporarily limit mobile home space rent increases until permanent rent stabilization policy options are considered; and, direct the City Manager to prepare a thorough report on long-term mobile home rent stabilization options and present recommendations on a local policy for consideration. (Citywide)

Council District	Authorizing Councilmember	Signed by
8	Al Austin	<i>Al Austin</i>
3	SUZIE PRICE	<i>Suzie Price</i>
7	Roberto Uranga	<i>Roberto Uranga</i>

Attachment: Staff Report dated November 19, 2019

cc: Office of the Mayor