

APPENDIX D: Summary of Stakeholder Meetings

Mobile Home Park Resident Stakeholder Meeting Notes

Tuesday, April 14, 2015 5:30 p.m.

22 people attended, from 7 parks (Chetwood Crest, Golden State, Wagon Wheel, Wishing Well, Paradise, Pines, and Hidden Trailer park). A staff member from Supervisor Miley's office attended, as did a member of the Castro Valley MAC. The Assistant Housing Director and one additional staff person attended on behalf of HCD.

Rents

- 5% Increase every year, no clear indication of why or what kinds of improvements the owner will do in exchange for constant increases
- One or two residents complained that rents increased above 5%, but they did not know who to complain to or that there was a rent control ordinance in place at all
- Varying rent amounts between neighbors
- Reduction in services at the park without a corresponding reduction in rents – loss of community space, loss of public access to laundry facilities or bathrooms or transfer of utility costs from owner to resident
- Being assessed a parking fee outside of the regular annual rent increase
- Being charged more on a monthly basis (\$100) because you don't have credit – regardless of the 5% cap

Utility Billing

- Transfer of Utility cost from owner (as part of the rent) to resident in addition to rent, and an increase of 5% in the rent (more than what should have been allowed)
- Concerns about how utility costs are allocated, especially when not all parks are fully metered yet. Also concerns about month to month variations when the utilities are not metered – why does one resident pay more than another?
 - Complaints that the water is metered, but that the owner is using resident hose to clean the driveway – with resident paying costs for park-wide clean up
 - My garbage costs is higher than my neighbors for the same service
 - Now that the utilities are metered, my costs have gone way down, the owner used to pass on a much higher amount for water than what I am charged now
- Assigning an outside agency to collect on utilities without any discussion or disclosure to residents - which created confusion.... Wouldn't a notification have been a simple way to make this happen?
- Owner used to charge me \$26 a month in water bill. Now I am metered, and my costs are only \$8 a month. Why was he charging me \$26 all those years if my share was so low.
- Who is paying for the common areas?

Vacancy Control vs. De-control and Sales of Units

- Owners or their Realtors not being able to get the owner to respond to requests for meetings or rent information for the prospective buyer
- Tenants maintain that vacancy decontrol is occurring
 - Paradise park – 10 years ago, sold a unit with rent at \$250, new rent was \$295, actual increase should have gone to \$262.50 if 5% had been adhered to
 - Park Owner not disclosing to homeowner what they told new buyer the rent would be (it is not your business) and the homeowner losing the sale (because the rent was too high? Because the owner was difficult? Not clear but an interested buyer was scared off after talking with the owner's representative).
- Park owner not approving a potential buyer of a unit, then turning around and offering a much smaller amount of money than the buyer they did not approve.
- Viable buyers walking away after conversation with the owner (intimidation and scare tactics)
- Park owner offering to buy the coach for \$1,000 or \$2,000
- No clarity on what the owner wants of the buyer, what standards they need to meet to be able to take over the space rent.

Communications with Management

- Most residents who attended the meeting indicated that they have approached management about the rent increase issue, told them it was too high, asked what it was based on, asked if it could be adjusted, and across the board those that attended indicated that all managers had said they charge it because they can and it is what they are allowed to do. None indicated that a manager was open to discussion, this included Wishing Well, where the manager has repeatedly said no residents have come to her to complain.

Civil Complaints – out of our jurisdiction – but issues to track and try to figure out

- Management Issues
 - Sexual Harassment by managers towards tenants
 - Drunk and disorderly behavior of managers in the parks (belligerence and name calling)
 - Intimidation and scare tactics
- Maintenance
 - Of the pad and the park
 - Inconsistent assignment of responsibility regarding pad & site maintenance –
 - E.g. A tree planted by a resident into the ground was cut down by a park owner because he did not want the tree on his property, but the same owner will not take responsibility for the sink hole under the same residents mobile home.
 - Requested copies of inspection reports and complaints for these parks from State HCD

July 21, 2015; 5:30 p.m.

20 people attended, from 7 parks (Chetwood Crest, Wagon Wheel, Wishing Well, Paradise, Pines, and Vaughns). A staff member from Supervisor Miley's office attended, as did a staff member from Supervisor Chan's office. The Assistant Housing Director and one additional staff person attended on behalf of HCD.

Maximum Annual Allowable Rent Increase

- 5% cap on annual rent increases is too high
- it is challenging to compare mobile home park space rents in other jurisdictions to the County because other jurisdictions' mobile home parks are nicer than the ones in the Unincorporated County
- would prefer a formula that is clear and relatively simply so that they can track the change rather than a complicated formula.

Capital Improvement Pass-through

- how is capital improvement pass-through a trade-off for a lower rent cap if park owners have not paid for capital improvements to date
- some do not like the concept of a capital improvement pass-through and some only want to pass through new capital improvements as long as the rent cap is lowered.

Administrative Options

- Notification to Residents by Owners
 - a notification requirement to the residents is a good idea.
 - solely having a link to the ordinance is not enough. A summary of the ordinance needs to be included in the notice, as well as how to get a copy of the full ordinance.
- Mandatory Notification of Voluntary Rent Mediation Services
 - Residents believe park owners will not mediate but this mandatory notification provides a good avenue to get information on how to get help.
- Notification to HCD by Owners
 - Residents would like HCD to get information on individual rent increases and rent rolls.
 - Residents believe that the more information that HCD can get, the better off the residents will be.
- Standards of Review
 - Concern expressed that park owners would just configure their requirements to meet the standards of review.

- Tenant Grievance/Appeal Procedure
 - Residents stated that the more informed they are, the better able they will be to get help or stand up for themselves and get help.
 - Wishing Well residents expressed general concerns regarding Wishing Well: they do not get a copy of the ordinance, the owners need to fix the water main shut off valve, the residents are not allowed to use the gazebo, the residents do not know when the pavement repair is going to occur, residents cannot park their leaky cars on the pavement, park owners give seven days' notice when there is a concern instead of just talking with residents. Wishing Well residents fear retribution.

Mobile Home Park Owners Stakeholder Meeting Notes

Wednesday, April 8, 2015 3:30 p.m.

14 people attended, from 8 parks (Avalon, Chetwood Crest, Fuschia, Garden, Slaters, Tra Tel, Wagon Wheel, and Wishing Well). Supervisor Miley also attended, as did one of his staff members and a staff member from Supervisor Wilma Chan's office. A representative from the Western Manufactured Housing Association also attended, as did a rental housing owner. The Housing Director and two additional staff persons attended on behalf of HCD.

Vacancy Control

- The ordinance needs vacancy decontrol

Capital Improvement Pass-through

- The ordinance needs capital improvement pass-through
- Owners do not want to have to ask residents for permission to do capital improvements

Overall Concerns with a Revised Ordinance

- RV spaces can rent for higher amounts than mobile homes.
- The utilities at Wagon Wheel Mobile Home Park are increasing significantly; Wagon Wheel owners pay the utilities for their residents. In contrast, Wishing Well Mobile Home Park and Chetwood Crest Mobile Home Park sub meter their gas, electric and water. Most parks sub meter their gas and electric, but that does not cover their operating costs.
- Mobile home parks are valuable because there are older people living in the parks, who understand the value of creating a neighborhood.
- Tra Tel complies with rent control for all their spaces, even though it is not required for RV's and motor homes. They self-regulate their rents. If rent control is restricted below 5%, they will not be able to maintain their park. They currently only have 30 amp electrical at their park. To improve the electrical capacity would cost \$400-500K. Any new upgrades must be 50 amps and the wire/servers must be 100 amps. Also, any new upgrades would need to be undergrounded. Tra Tel has no vacancies. They need enough money to do basic things like sewer. They do not have as many tenants as they used to because the County exercised eminent domain on their property. They have very few evictions.
- Chetwood Crest has 88 spaces over five acres. They do not know the median range of their rents. Their average rent is \$634/month. They have no vacancies. Chetwood Crest was developed in 1958 and has an aging infrastructure. They must replacement a certain percentage of their meters every year. They also have a clubhouse that requires maintenance as well as driveways. An asphalt project is scheduled for this year. They rescinded their 2015 rent increase notification in compliance with the voluntary moratorium.
- Mr. Williams stated that he owns 5 parks, however would not identify them. He indicated that "rent control is a fool's errand" and he is thinking about quitting mobile

home park ownership. The current rent control of 5% is the minimum that the parks can absorb; any further restriction will force the owners to give up the parks. He stated that what is needed is a need-based benefit, as opposed to a benefit for everyone regardless of income. The current rent control of 5% gives the ability to make moral judgments; governmental intervention is not necessary.

- The mobile home park situation in Unincorporated Alameda County is unique because the stakeholders are truly stakeholders: “mom and pop” places, owned for generations, and not corporations.
- Avalon believes the County representatives have been fair and gracious.
- Fourteen out of the twenty parks in Unincorporated Alameda County are members of the Western Manufactured Housing Communities Association

Wednesday, April 21, 2015 3:30 p.m.

13 people attended, from 8 parks (Avalon, Chetwood Crest, Fuschia, Garden, Slaters, Tra Tel, Wagon Wheel, and Wishing Well). Two staff members from Supervisor Miley’s office attended, as did a staff member from Supervisor Wilma Chan’s office. A member of the Castro Valley MAC attended, as did a representative from the Western Manufactured Housing Association also attended. The Housing Director and two additional staff persons attended on behalf of HCD.

Surveys

- HCD has received 6 park owner surveys online and one in person.
- These 7 surveys represent over 50% of the spaces in Unincorporated Alameda County.
- Some concern among park owners regarding privacy issues and how public will this information become, especially with regard to the Board of Supervisors meeting?
- The park owners will provide the mailing addresses with the space numbers.
- The park owners will not provide owner-owned coach information.

Sale of Mobile Homes

- There are signs up in the mobile home parks regarding sale of mobile homes in the parks.
- There are criteria codified in the Mobilehome Residency Law regarding the sale of mobile homes.
- There exists no apples-to-apples comparison, where it is possible to compare other jurisdictions. Other cities have larger parks, and senior parks.
- There needs to be senior programming in a senior park so there are no discrimination concerns.

Vacancy Control

- Vacancy decontrol helps with rent control.
- Vacancy decontrol is unrelated to rent control.
- There is a distinction between empty spaces and trailers in place.
- Even the most austere ordinances have decontrol on empty spaces.

- The tax assessor depreciates coaches rapidly. She asked how the County is planning to balance decontrol and how the County believes tenants will respond to decontrol.

Capital Improvement

- What is the definition of capital improvement? Oakland just changed its capital improvement laws, so that now 70% of capital improvements must be negotiated with the residents of the apartments. Berkeley increased its rent offset against the capital improvement increase.
- Is staff proposing to impose rent increases on top of capital improvements year over year.
- Owners do not want a vote of the residents to determine if a capital improvement can be implemented.
- “Sick building syndrome” is the residents’ problem. He cannot borrow money from the bank to cover Avalon costs, which means that he has to sit on a cash reserve if he needs to fix something so it is insurable. Therefore, the owners are working on a potential time bomb. They need money for capital improvements or a second mortgage and cannot plan on money except for a cash reserve.

Fair Market Rents

- Fair Market value is not reality.
- One owner’s apartments went up 325%. The Fair Market rents are not the high end of the market.
- If residents were unable to live in the mobile home park any longer, wouldn’t they simply abandon their unit.

Rent Control

- Amortized over 12 years, the difference is less than ½% per year. In fact, mobile home parks barely break even. The role for County government is to keep the 5% and not make the ordinance more complicated.

Administrative Fee

- The administrative fee should be shared with tenants. Some tenants opt out of rent control to get out of sharing in the administrative fee.
- Some jurisdictions have ten year lease agreements that are renegotiated every ten years.
- The owners were in general agreement that they were not opposed to notifications to tenants and the County.
- Would rather give a weblink to tenants instead of a paper notification.

Voluntary Moratorium

- The owners were in general agreement that they are amenable to an extended voluntary moratorium.

July 16, 2015; 4:30 p.m.

13 people attended, from 9 parks (Avalon, Chetwood Crest, Fuschia, Garden, Slaters, Paradise, Tra Tel, Wagon Wheel, and Wishing Well). Two staff members from Supervisor Miley's office attended, as did a staff member from Supervisor Wilma Chan's office. A member of the Castro Valley MAC attended, as did a representative from the Western Manufactured Housing Association. The Housing Director and one additional staff person attended on behalf of HCD.

Ordinance Generally

- Alameda County's ordinance is the shortest mobile home rent stabilization ordinance in California and things need to be added.

Maximum Annual Allowable Rent Increase

- Given that Alameda County has only had one petition in 25 years, it is a testament to how well the ordinance works regarding rent increases. Further, many ordinances were established in the 1970's and 1980's, when the CPI included housing and as a result was higher (19-21%). Subsequently, the volatile components were removed and as a result the yearly percentage change is lower. Therefore, fractions of the CPI do not support the cost of a mobile home park operation. Mr. Evans is in favor of retaining the current ordinance.
- Even with rent controls that may seem fair, Unincorporated County is in the middle of rents in the County. Fremont and Pleasanton are higher, Union City is lower because those parks are owned and operated by nonprofits. The average mobile home space ends up being in the mid-700's, even taking into consideration parks in the cities without rent control, such as Livermore and San Leandro. Therefore, the unincorporated county rents are fair and have worked because it is in the middle. It is important to look at cities with no rent control as well; staff should not just look at Union City, Hayward and Fremont.

Capital Improvement Pass-through

- The Alikians are in the middle of a capital improvement project. If they cannot have a rent increase, how are they going to pay for the capital improvement?
- Shaun Alikian stated that he is against resident approval for capital improvements.
- One park is doing a PG&E improvement and the residents do not care.
- There are two categories of capital improvements. An owner has no problem with resident approval of a new capital improvement, but for rehabilitation of an existing capital item, he does not support resident approval.
- How long would the process for approving a capital improvement be. Some improvements can have a short timeframe. Further, there needs to be a clear distinction on what can be amortized.
- The amortization must include a return of investment AND a return on investment, which is the way Santa Cruz's ordinance works. Santa Cruz allows a 12% return on investment, because why otherwise would park owners put money into the park if he cannot realize a return on investment? Recognition is desired on the county's part that owners have stepped forward and would appreciate a lack of demonizing in the community regarding this issue.
- Tenants should not be able to vote on repair and replacement and health and safety issues,

like potholes, PG&E, etc... The residents' part should be limited to new improvements with short time frames.

- No one wants the government saying what owners can and cannot do. There are concerns about “Failure to Maintain” lawsuits. There are liability exposure issues. If owners do not upgrade electrical, it is a problem. Coaches are 50-100 amps now; old coaches are 30 amps. Therefore, electrical upgrades are necessary for new coaches. Owners do not want to ask the County for permission to do something.
- Currently a capital improvement is not required because the rent is sufficient. If the County takes away the 5% rent increase, capital improvement pass-through is needed. It has been a simple ordinance. Capital improvement pass-through will always cost residents more than 5%.
- People would rather not pay; residents do not even maintain their own coaches.
- Fremont limits the amount of pass-through based on the space rent, but they are able to do that because Fremont mobile home parks are all big parks with high rents, in stark contrast to the parks in the unincorporated county. Unless the city participates in liability for “Failure to Maintain” lawsuits, it should have no ability to have a say in a capital improvement.
- Oakland would add a finance factor into the cost
- The County should use the tax code to ascertain amortization life of capital improvements.
- For capital improvements which help to bring the park up to code, he wants the ability to pass through the capital improvement expense plus raise rents 5% every year. What is staff's job in the public process in terms of “spin” and “marketing” of the upcoming recommendation? Will park owners be able to have a draft Ordinance in the future?
- The tax code has clear amortization schedules. It is important to have a return of investment as well as a return on investment. HCD is not addressing the cost of the coach. The ordinance will result in tenants receiving artificially inflated housing prices for their coaches— is this really affordable housing? Should we require that residents not sell for more than an increase in inflation?

Vacancy Control

- The park owners would prefer complete decontrol.

Rent Control

- Finding a CPI adjustor that has a floor and a ceiling works well so that the CPI does not go too low or too high. San Jose has a range of 3-7% and they have lots of mobile home parks. Further, San Jose has only had two appeal hearings. San Jose's ordinance includes maintenance of net operating income as a factor.
- CPI plus a rate of return is expected. It is foolish to talk about something less than the CPI. The CPI is a composite of 50,000 goods which reflects the cost of living.
- If the ordinance stays at 5% cap, no capital improvement pass through is necessary.
- The option to petition for a higher increase is necessary.
- Mobile home parks in the unincorporated county have not averaged 5% increase every year and wonders why the process is taking place, given what appears to be a 2-3% complaint rate from tenants about space rents.

- None of Wishing Well's residents have called to say they cannot pay the rent in 16 years.

Administrative Options

- It is important that the ordinance is as clear as possible, otherwise it will create problems for tenants who cannot understand basic things and it will be hard for the County to follow through. Fremont and Pleasanton each have only three parks; however in contrast, the unincorporated county has a lot of different business models with its 19 parks.
- The current ordinance works and costs the County nothing because there is no staff time and have been no lawsuits. The more complicated the ordinance, the more expensive it is to administer.
- The tenants should and would bear at least some of the costs.
- Notification to Residents by Owners
 - There is no problem with including information regarding the ordinance and a website where residents can locate the complete ordinance.
 - Park owners would appreciate being given standard language of one paragraph to be included in the rent increase notice, including requirements such as font size.
 - The paragraph should indicate that a copy of the ordinance will be located in the park manager's office.
 - Residents should be provided with a copy of the full ordinance when they move in, and then including a standard paragraph in rent increase notices with info that the entire ordinance is available in the Manager's office, HCD, and libraries, and providing a link to the website with the entire ordinance.
- Mandatory Notification of Voluntary Rent Mediation Services
 - What would be mediated?
 - What is the benefit to the owners?
 - Some ordinances require giving notifications to residents before they move in, not with every rent increase. Giving notification of rent mediation services to residents with every increase may institutionalize the concept.
- Notification to HCD by Owners
 - One owner is not okay with sending rent rolls; she is, however okay with sending rent increase information and high/low rent information.
 - Rent rolls with specific rent information on it is mobile home park owner business.
 - Rent rolls are not the County's business.
 - One owner stated he would be willing to sign a statement under penalty of perjury that he has not raised rents higher than allowed by the County Ordinance.
 - Sending rent roll information to the County makes those records reachable in a Public Records Request. The business tax records already list park income, from which the County could extrapolate rent roll information.
 - What is the County's intent in asking for rent roll information?
 - Would provision of this information just provoke resident complaints?
 - HCD wants statistics.

- Does this request increase bureaucracy.
- Paradise has rent credits for tenants in need, which are not disclosed. She does not want to disclose that information to other tenants.
- An aggregate sheet, with average/high/low/percentage increase information, which is signed by the property owner, provides the necessary information. Will HCD question every business decision
- Standards of Review
 - Mr. Berger stated that when he petitioned for a higher than 5% annual rent increase in 1991, they had to guess regarding standards of review.
 - Would HCD consider codifying the use of a Rent Control Board for appeals?
 - Frequently jurisdictions utilize a hearing officer to hear appeals.
 - The net operating income of the parks is complicated. Other ordinances have used these factors for standards of review.
 - Designation of a hearing officer is more appropriate than the Board of Supervisors or appointees of an elected Board playing that role. The Hearing Officer position should be filled by someone with an administrative hearing background, possibly volunteer attorneys who are paid for their services.