


Memo

To: Members, Board of Supervisors
From: Rich Gordon 
Date: 12/13/01
Re: Referral of Land Use Issue to the Planning Commission

RECOMMENDATION:

Refer the attached draft ordinance establishing rent control for the El Granada Manufactured Home Community to the Planning Commission for a recommendation on the impact of such an ordinance on the implementation of the zoning and planning issues under the Local Coastal Plan.

BACKGROUND:

The adopted Local Coastal Plan identifies four areas on the unincorporated midcoast as sites for affordable housing. Specifically, these four sites are zoned R-3-A (Affordable/Market Housing Mix) and are identified in the General Plan as Medium-High Density Residential. Three of these sites remain vacant. While private developers at times have made proposals for affordable housing projects on these sites, none of these proposals has to date made it through the development approval process. In the current economic climate, it is doubtful that any development would occur on these sites for several years.

There is one site where development is in place. This is the El Granada Manufactured Home Community in Moss Beach.

Policy 3.11 of the Local Coastal Plan designates the El Granada Manufactured Home Community as an affordable housing site. This policy explicitly prohibits the demolition or displacement of this site. However, there is no discussion in the LCP of mechanisms that could or should be imposed by the County to guarantee that this remains an affordable site.

Last year when the consumer price increase rose approximately 4%, rents at the El Granada Manufactured Home Community rose 6%. This year when the CPI was again at 4%, rents were raised by 7% (this increase was imposed on April 1, 2001). Just this month, the tenants of the Mobile Home Park received notice that they must begin paying for water use. This charge will be at the current market rate for water use in the immediate neighborhood. The wells and treatment facilities that provide water are the property of the park owners. While water from these private wells had been

included as part of the rent paid by tenants, these charges will now be in addition to the rent paid by tenants. This is effectively another "rent" increase.

The tenants approached my office with concerns about rent increases and other issues with the management of their manufactured home community. A letter was sent to the management asking their cooperation in resolving the concerns of the tenants. The management responded by saying that they felt that they had good communication with the tenants and that issues were being addressed. Following receipt of this letter from management, tenants have continued to contact my office with complaints.

The additional charge for water was applied after my office traded the above referenced correspondence with the park management.

Escalating rents and other charges could impact the affordability of the El Granada Manufactured Home Community for nursery/agricultural workers, service workers, those on fixed incomes, and others. In order to better understand the relationship between the implementation of the Local Coastal Plan as it relates to the designation of the El Granada Manufactured Home Community as an affordable housing site, I have asked County Counsel to prepare the attached draft ordinance. The draft ordinance would establish a rent control program at the El Granada Manufactured Home Community. [Note: there is no other mobile home park in the County that would meet the definition of "Park" provided in Section 1.30.020 of the draft ordinance.]

There may be options other than rent control, which would guarantee that the affordable housing element of our Local Coastal Plan is upheld. By referring this matter to the Planning Commission, we can receive guidance on this land use policy issue.

We have a critical need for affordable, workforce housing in San Mateo County. We also have a responsibility to see that the Local Coastal Plan is upheld and enforced. I am recommending that the Planning Commission help us understand how these two needs intersect at the El Granada Manufactured Home Community.

ORDINANCE NO. _____

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

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AN ORDINANCE ADDING CHAPTER 1.30 TO THE ORDINANCE CODE,
REGARDING MOBILEHOME RENTS

The Board of Supervisors of the County of San Mateo, State of California, ORDAINS as follows:

SECTION 1. Chapter 1.30 is hereby added to Title 1 of the San Mateo County Ordinance

Code to read as follows:

Chapter 1.30

MOBILEHOME RENT ORDINANCE

Sections:

1.30.010 Findings and purpose.

1.30.020 Definitions.

1.30.030 Maximum rent increase.

1.30.040 Rent increase in excess of increase allowed under Section 1.30.030.

1.30.050 Powers and duties of the Hearing Officer.

1.30.060 Conduct of proceedings, hearings.

1.30.070 Standards of review.

1.30.080 Decision of the Hearing Officer.

1.30.090 Tenant's right of refusal.

Section 1.30.010 Findings and purpose.

There is presently within the unincorporated area of San Mateo County and the surrounding areas a shortage of space for location of mobilehomes. This has resulted in a low vacancy rate and rents have been and are presently rising rapidly and causing concern among a substantial number of residents, as well as threatening to reduce the supply of affordable housing.

Because of the high cost of moving mobilehomes and the potential for damage resulting

therefrom, the requirements relating to the installation of mobilehomes, including permits, landscaping and site preparation, the lack of alternative homesites for mobile-home owners, and the substantial investment of mobilehome owners in such homes, the Board of Supervisors finds and declares it necessary to protect the owners and occupiers of mobilehomes from unreasonable rent increases, while at the same time recognizing the need of the park owners to receive both a fair return on their property and rental income sufficient to cover increasing costs of repair, maintenance, insurance, employee service and utility-government assessments.

Section 1.30.020 Definitions.

"Hearing Officer" shall mean the San Mateo County Environmental Services Director.

"Capital improvements" means those improvements that materially add to the value of the property and appreciably prolong its useful life or adapt it to new uses and which may be amortized over the useful life of the improvements in accordance with the Internal Revenue Code.

"Housing services" means services provided by the owner related to the use or occupancy of a mobilehome space, including but not limited to insurance, repairs, replacements, maintenance, painting, lighting, heat, water, refuse removal, laundry facilities, recreation facilities, parking security and employee services.

"Mobilehome park owner" means the owner, lessor, operator or manager of a mobilehome park.

"Mobilehome tenant" means any person entitled to occupy a mobilehome dwelling unit pursuant to ownership thereof or a lease or rental arrangement with the owner thereof.

"Park" means a mobilehome park which rents or leases spaces for mobilehome dwelling units in the unincorporated area of San Mateo County, and which has been designated as an

affordable housing site by County policy or ordinance.

"Rehabilitation" means that work done by an owner to a mobilehome space, or to the common area of the property containing a mobilehome space, which is performed either to secure compliance with any state or local law or to repair damage resulting from fire, earthquake, or other casualty or natural disaster to the extent such repair is not reimbursed by insurance proceeds.

"Rent" means the consideration, including any bonus, benefits or gratuity demanded or received in connection with the use and occupancy of a mobilehome space in a mobilehome park, but exclusive of any amounts paid for utilities, the use of the mobilehome dwelling unit, subletting or security deposit.

Section 1.30.030 Maximum rent increase.

The annual rent payable for use or occupancy of any space in a mobilehome park which has been designated as an affordable housing site by County policy or ordinance shall not be increased by more than five percent. This provision shall apply regardless of whether there is a change in the mobilehome tenant occupying the space.

Section 1.30.040 Rent increase in excess of increase allowed under Section 1.30.030.

A. If dissatisfied with the maximum rent permitted by Section 1.30.030 of this chapter, an owner may request an adjustment in rents according to the provisions of this section. However, no owner of a mobilehome park may request more than one adjustment to rents during the twelve (12) month period following the first full day the rent increase authorized by Section 1.30.030 is put into effect.

B. An owner may request an adjustment in excess of the rent increase authorized by Section 1.30.030 by conforming to the following procedures:

1. The owner of a mobilehome park seeking an adjustment in rents must submit a petition for rent adjustment to the Hearing Officer. The petition shall contain relevant and detailed documentation supporting the level of rent increase requested.

2. The petition shall be filed with the Hearing Officer no later than sixty (60) days before the desired date the requested rent increase is to take effect.

3. The petition shall contain a copy of a certified letter sent to the affected tenants notifying them of the petition and the amount of increase requested.

4. The petition shall contain a statement attesting to the availability of any records required by the Hearing Officer to complete his or her review of the request for rent adjustment. Records shall include, but not be limited to, any audits of the mobilehome park's books, financial statements, and records relating to any governmental or utility assessments which have been levied upon the mobilehome park.

5. The petition shall be accompanied with a check or money order in the amount of three hundred dollars (\$300.00) to cover costs incurred by the County in fulfilling the Hearing Officer's responsibilities. The fee is nonrefundable.

6. The petition shall be submitted under penalty of perjury.

Section 1.30.050 Powers and duties of the Hearing Officer.

The Hearing Officer shall have the following powers and duties:

A. To receive, investigate, hold hearings on, and pass upon the petitions for rent adjustment;

B. To make or conduct such independent hearings or investigations as may be appropriate to obtain such information as is necessary to carry out his or her duties;

C. To adopt, promulgate, amend and rescind administrative rules to effectuate the purposes and policies of this chapter;

D. To maintain for five years rent adjustment hearing files and dockets listing the time, date, and place of hearings, the parties involved, the addresses involved, and the final dispositions of the petitions.

Section 1.30.060 Conduct of proceedings, hearings.

A. Within ten days of the filing of a petition for rental adjustment the Hearing Officer shall set a date for the hearing and shall have notified all affected parties by mail of the date and time of the hearing.

B. The hearing shall be set for a date not less than twenty (20) nor more than thirty (30) days after the date of filing the petition for rent adjustment.

C. No hearing shall be continued to a date later than forty-five (45) days from the date of filing the petition for rent adjustment.

D. The hearing need not be conducted according to technical rules relating to evidence and witnesses. Any relevant evidence may be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule which might make improper the admission of such evidence over objection in civil actions.

E. In the event that either the owner or the tenant or both should fail to appear at the hearing, the Hearing Officer may hear and review such evidence as may be presented and make

such decisions just as if both parties had been present or continue the hearing or dismiss the petition for rent adjustment.

F. Materials received by the Hearing Officer in conjunction with a petition for rent adjustment shall be maintained in the County Clerk's office and shall be available for review by the public during normal working hours.

Section 1.30.070 Standards of review.

In evaluating the rent increase proposed by the mobilehome park owner, the Hearing Officer shall consider, among other relevant factors, the rent lawfully charged for comparable mobilehome spaces in the unincorporated area of San Mateo County, changes in costs to the owner attributable to increases or decreases in master land or facilities lease rent, utility rates, property taxes, insurance, advertising, variable mortgage interest rates, governmental assessments and fees, incidental services, employee costs, normal repair and maintenance, and other considerations, including, but not limited to, capital improvements, housing services, rehabilitation, net operating income, as well as a fair return on the owner's property.

Section 1.30.080 Decision of the Hearing Officer.

A. The Hearing Officer shall adopt findings and a decision no later than ten days after the conclusion of the hearing on any petition. All parties shall be sent a copy of the findings and decision.

B. Based on his or her findings, the Hearing Officer shall deny the rent adjustment requested in the petition, grant the request, or set the rent adjustment at an amount less than requested.

C. The action of the Hearing Officer shall be subject to judicial review pursuant to Code of Civil Procedure Section 1094.5.

Section 1.30.090 Tenant's right of refusal.

A tenant may refuse to pay any increase in rent which is in violation of this chapter. Such refusal to pay shall be a defense in any action brought to recover possession of a mobilehome space or to collect the rent increase.

SECTION 2. This ordinance shall be effective thirty (30) days from the date of passage thereof.

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