



City of Carpinteria

COUNCIL AGENDA STAFF REPORT February 24, 2020

ITEM FOR COUNCIL CONSIDERATION

Approval to send a letter of support for Senate Bill 999 (Umberg), concerning a proposed amendment to state Mobile Home Residency Law aimed at protecting local mobile rent control.

STAFF RECOMMENDATION

Action Item ; Non-Action Item

Approve for the Mayor's signature the attached letter requesting that the City be listed as being in support of SB 999.

Sample Motion: I move to approve for the Mayor's signature the support letter concerning SB 999.

BACKGROUND/DISCUSSION

The City of Carpinteria Municipal Code includes local mobile home rent stabilization regulations at Chapter 5.69. The City's regulations, like all local mobile home rent control regulations, work in conjunction with state Mobile Home Residency laws. For some time the City has been concerned that the state law served to undermine local rent control due to areas of the law that were unclear. In particular, the lack of a provision in state law to make clear that a buyer of a mobilehome enjoys the same right to a lease subject to local rent control as an existing resident, resulted in many buyers being directed into long-term leases that are currently exempt from local rent control.

Last year the City's Mobilehome Rent Stabilization Board in a report to the City Council made a number of recommendations. The City Council took actions to implement the recommendations including establishing new mobilehome rent control disclosure provisions and initiated an effort to advocate for a change in state law. This latter effort culminated with the City working with Senator Tom Umberg's office (34th Senatorial District in Orange County) and representatives of the County of Los Angeles and the Golden State Manufactured Home Owners League (GSMOL) on ideas for possible legislation.

Recently, Senator Umberg's office issued a press release (attached) announcing SB 999, a measure to curb mobilehome rent increases. SB 999 would eliminate a state

mobilehome residency law provision that exempts leases of one year or longer (long-term leases) from local mobile home rent control.

From time-to-time the City Council elects to take positions on state or federal legislation, or other matters of broad community interest. The purpose of this matter is to allow the City Council to take a position in support of SB 999.

POLICY

Taking positions for or against federal or state regulations is within the purview of the City Council. For example, it is in the City's interest to monitor and take positions, as deemed appropriate by City Council, on matters that have the potential to effect the Carpinteria community and or City projects and programs necessary or desirable to serve the community.

Support of SB 999, can be found consistent with the City's interest in protecting the effectiveness of its rent stabilization regulations, and more generally, housing affordability in Carpinteria.

FINANCIAL CONSIDERATIONS

There are no hard costs associated with taking a position on federal or state regulations. Some regulations may have the potential over time to be a financial benefit or detriment to the City.

LEGAL AND RISK MANAGEMENT

No legal or risk analysis has been undertaken concerning this matter.

OPTIONS

1. Approve for Mayor's signature the draft letter in support of SB 999
2. Direct changes to the draft letter
3. Decline to send the support letter.

ATTACHMENT

- A. Draft letter in support of SB 999 (Umberg)
- B. SB 999 Bill Summary
- C. SB 999
- D. Press Release

Staff contact: Dave Durflinger, City Manager
(805 755-4400, daved@ci.carpinteria.ca.us)



Signature

ATTACHMENT A

CITY of CARPINTERIA, CALIFORNIA



February 24, 2020

The Honorable Tom Umberg
Capital Office
State Capitol, Room 3076
Sacramento, CA 95814

Members of the City Council

Wade T. Nomura - *Mayor*
Al Clark - *Vice Mayor*
Fred Shaw
Gregg A. Carty
Roy Lee

Dear Senator Umberg:

The Carpinteria City Council would like to express its gratitude for your efforts to bring forward SB 999 for the legislature's consideration and respectfully requests to be listed as being in support.

SB 999 is needed urgently in Carpinteria because the state law exempting long-term leases has allowed for abuses that render ineffective the City's mobile home rent stabilization program. The Carpinteria City Council has received letters and testimony from mobilehome park residents, most of whom are seniors and/or lower income families, stating that they had either been offered only a long-term lease or had been coerced into signing a long-term lease. In such cases, because the City of Carpinteria does not have enforcement authority over violations of state mobilehome residency law, the City can only advise residents to seek counsel as they deem appropriate. Not surprisingly, most residents of mobilehome parks do not have the resources to sue Park owners that have inappropriately maneuvered them into long-term leases. This situation is untenable. The long-term lease exemption is serving to completely undermine the City's rent stabilization regulations and damage the affordability of its housing stock.

The City understands that SB 999 would eliminate the provision in state Mobilehome Residency Law that exempts long-term leases from local rent control. The City's 860 mobilehome park residences make up over 15% of the City's housing stock and are affordable by design. When established in 1979, the City of Carpinteria's mobilehome rent stabilization program applied to all mobilehome park spaces, providing a measure of protection from the inherent vulnerability of being both an owner and a renter.

A recent survey by the resident association of the largest mobilehome park in the City showed that approximately 60% of the spaces were now in long-term leases and outside of City rent control. Not surprisingly, residents that have long-term space leases pay significantly more than space leases that are subject to rent control. We have predicted that, if the status quo is allowed to continue, the City will ultimately lose all of its 860 mobile home park spaces to long-term leases and the City's rent stabilization program will provide no protection to these residents from the risk of economic displacement and home loss.

Once again, the City of Carpinteria supports SB 999 and thanks you for bringing this legislation forward.

Respectfully,

Wade T. Nomura
Mayor

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ATTACHMENT B

TOM UMBERG

SENATOR, 34TH SENATE DISTRICT

SB 999: Local Rent Stabilization; Mobilehomes



Updated (February 12, 2020)

SUMMARY

SB 999 would restore local control and help ensure rent affordability for mobilehome residents by removing a state imposed loophole in local mobilehome rent stabilization ordinances.

Current law prevents any mobilehome resident with a lease longer than 12 months from receiving the benefits of a local rent stabilization ordinance. This bill would remove this section from state law.

PROBLEM

When California passed AB 1482 (Chaptered 2019), which provided rent gouging protections for renters, mobilehomes were not included. This decision kept rent stabilization for mobilehomes as a quasi-local control issue, with a number of state imposed loopholes undermining local authority.

The state imposed loophole for long-term leases to local mobilehome rent stabilization ordinances provides mobilehome space renters with little to no recourse if they are experiencing rental abuses. This state imposed loophole facilitates renter coercion through the signing of predatory long-term rental agreements, which can be exacerbated for non-English speaking immigrants.

Without protections in state law and current statutes undermining local control, there are simply no effective safeguards against rent abuse. For example, the senior-living community at Belmont Shores Mobile Estates in Long Beach, California suffered a 35% rent hike at the end of 2019, leaving many elderly residents uncertain about their future.

SOLUTION

In order to restore local control and ensure rent affordability for mobilehome residents, SB 999 would remove sections of state law that prevent residents with long-term leases from receiving the benefits of local rent stabilization ordinances.

SB 999 will not affect any locality that has not passed their own local rent stabilization ordinance for mobilehomes.

SB 999 will not affect existing space leases (provided they were effective before January 1, 2020) until January 1, 2025, allowing mobilehome park owners time to adjust to local rent stabilization provisions.

BACKGROUND

Manufactured homes are considered one of the last bastions of non-subsidized affordable housing in California. These properties often house our most at-risk residents: seniors with fixed incomes, disabled communities, and veterans.

Mobilehome residents are unique from both renters and traditional homeowners in that they often own their home but lease the land on which it is installed. Being both homeowner and renter is a difficult situation, as moving is expensive and punishing, with a home needing to be physically disassembled and reassembled at a new location. While the mobilehome resident's lease is rapidly appreciating, the value of their home stagnates or depreciates over time.

The relative immobility of mobilehomes and the rising tide of land values has created an impossible situation for California's most at-risk renters. With the prospect of moving so difficult, mobilehome residents simply cannot refuse extortionate rent increases through participation in the free market.

SUPPORT

Golden State Manufactured-Home Owners League (Co-Sponsor)
County of Los Angeles (Co-Sponsor)

FOR MORE INFORMATION

Jonathan Davis
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ATTACHMENT C

Introduced by Senator Umberg
(Coauthor: Assembly Member Limón)

February 13, 2020

An act to amend and repeal Section 798.17 of the Civil Code, relating to mobilehomes.

LEGISLATIVE COUNSEL'S DIGEST

SB 999, as introduced, Umberg. Mobilehome park residencies: rent control: exemption.

Existing law, the Mobilehome Residency Law, prescribes various terms and conditions of tenancies in mobilehome parks. Existing law exempts a rental agreement in a mobilehome park that is in excess of 12 months' duration, and that meets other specified requirements, from local ordinances and initiative measures that establish a maximum amount that a landlord may charge a tenant for rent, commonly referred to as rent control.

This bill would prohibit the above-described exemption from rent control in mobilehome parks for rental agreements from applying to a rental agreement entered into on and after January 1, 2020. The bill would repeal these provisions on January 1, 2025. The bill would declare that these provisions are severable.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 798.17 of the Civil Code is amended to
2 read:

1 798.17. (a) (1) ~~Rental~~ *Except as provided in subdivisions (i)*
2 *and (j), rental* agreements meeting the criteria of subdivision (b)
3 shall be exempt from any ordinance, rule, regulation, or initiative
4 measure adopted by any local governmental entity which
5 establishes a maximum amount that a landlord may charge a tenant
6 for rent. The terms of a rental agreement meeting the criteria of
7 subdivision (b) shall prevail over conflicting provisions of an
8 ordinance, rule, regulation, or initiative measure limiting or
9 restricting rents in mobilehome parks, only during the term of the
10 rental agreement or one or more uninterrupted, continuous
11 extensions thereof. If the rental agreement is not extended and no
12 new rental agreement in excess of 12 months' duration is entered
13 into, then the last rental rate charged for the space under the
14 previous rental agreement shall be the base rent for purposes of
15 applicable provisions of law concerning rent regulation, if any.

16 (2) In the first sentence of the first paragraph of a rental
17 agreement entered into on or after January 1, 1993, pursuant to
18 this section, there shall be set forth a provision in at least 12-point
19 boldface type if the rental agreement is printed, or in capital letters
20 if the rental agreement is typed, giving notice to the homeowner
21 that the rental agreement will be exempt from any ordinance, rule,
22 regulation, or initiative measure adopted by any local governmental
23 entity which establishes a maximum amount that a landlord may
24 charge a tenant for rent.

25 (b) Rental agreements subject to this section shall meet all of
26 the following criteria:

27 (1) The rental agreement shall be in excess of 12 months'
28 duration.

29 (2) The rental agreement shall be entered into between the
30 management and a homeowner for the personal and actual
31 residence of the homeowner.

32 (3) The homeowner shall have at least 30 days from the date
33 the rental agreement is first offered to the homeowner to accept
34 or reject the rental agreement.

35 (4) The homeowner who signs a rental agreement pursuant to
36 this section may void the rental agreement by notifying
37 management in writing within 72 hours of returning the signed
38 rental agreement to management. This paragraph shall only apply
39 if management provides the homeowner a copy of the signed rental

1 agreement at the time the homeowner returns the signed rental
2 agreement.

3 (5) The homeowner who signs a rental agreement pursuant to
4 this section may void the agreement within 72 hours of receiving
5 an executed copy of the rental agreement pursuant to Section
6 798.16. This paragraph shall only apply if management does not
7 provide the homeowner with a copy of the signed rental agreement
8 at the time the homeowner returns the signed rental agreement.

9 (c) If, pursuant to paragraph (3) or (4) of subdivision (b), the
10 homeowner rejects the offered rental agreement or rescinds a signed
11 rental agreement, the homeowner shall be entitled to instead accept,
12 pursuant to Section 798.18, a rental agreement for a term of 12
13 months or less from the date the offered rental agreement was to
14 have begun. In the event the homeowner elects to have a rental
15 agreement for a term of 12 months or less, including a
16 month-to-month rental agreement, the rental agreement shall
17 contain the same rental charges, terms, and conditions as the rental
18 agreement offered pursuant to subdivision (b), during the first 12
19 months, except for options, if any, contained in the offered rental
20 agreement to extend or renew the rental agreement.

21 (d) Nothing in subdivision (c) shall be construed to prohibit the
22 management from offering gifts of value, other than rental rate
23 reductions, to homeowners who execute a rental agreement
24 pursuant to this section.

25 (e) With respect to any space in a mobilehome park that is
26 exempt under subdivision (a) from any ordinance, rule, regulation,
27 or initiative measure adopted by any local governmental entity
28 that establishes a maximum amount that a landlord may charge a
29 homeowner for rent, and notwithstanding any ordinance, rule,
30 regulation, or initiative measure, a mobilehome park shall not be
31 assessed any fee or other exaction for a park space that is exempt
32 under subdivision (a) imposed pursuant to any ordinance, rule,
33 regulation, or initiative measure. No other fee or other exaction
34 shall be imposed for a park space that is exempt under subdivision
35 (a) for the purpose of defraying the cost of administration thereof.

36 (f) At the time the rental agreement is first offered to the
37 homeowner, the management shall provide written notice to the
38 homeowner of the homeowner's right (1) to have at least 30 days
39 to inspect the rental agreement, and (2) to void the rental agreement
40 by notifying management in writing within 72 hours of receipt of

1 an executed copy of the rental agreement. The failure of the
2 management to provide the written notice shall make the rental
3 agreement voidable at the homeowner's option upon the
4 homeowner's discovery of the failure. The receipt of any written
5 notice provided pursuant to this subdivision shall be acknowledged
6 in writing by the homeowner.

7 (g) No rental agreement subject to subdivision (a) that is first
8 entered into on or after January 1, 1993, shall have a provision
9 which authorizes automatic extension or renewal of, or
10 automatically extends or renews, the rental agreement for a period
11 beyond the initial stated term at the sole option of either the
12 management or the homeowner.

13 (h) This section does not apply to or supersede other provisions
14 of this part or other state law.

15 (i) *This section shall not apply to any rental agreement entered*
16 *into on or after January 1, 2020.*

17 (j) *This section shall remain in effect until January 1, 2025, and*
18 *as of that date is repealed. As of January 1, 2025, any exemption*
19 *pursuant to this section shall expire.*

20 (k) *The provisions of this section are severable. If any provision*
21 *of this section or its application is held invalid, that invalidity shall*
22 *not affect other provisions or applications that can be given effect*
23 *without the invalid provision or application.*

ATTACHMENT D

PRESS RELEASE

TOM UMBERG

SENATOR, 34TH SENATE DISTRICT



FOR IMMEDIATE RELEASE

February 12, 2020

Contact: Jackie Koenig, Jackie.Koenig@sen.ca.gov, (916) 651-4034

Senator Tom Umberg Announces Measure to Curb Mobilehome Rent Increases

(SACRAMENTO, CA) – **Senator Thomas J. Umberg (D-Santa Ana)** introduced Senate Bill ~~999XX~~ today, a measure that would restore local control and stem the tide of rapidly increasing rental rates for mobilehomes across California. The County of Los Angeles and Golden State Manufactured Home Owners League are cosponsors of the bill, representing a strong coalition between local government and residents.

Senate Bill ~~999-XXX~~, coauthored by Assemblymember Monique Limón, would remove a loophole in state law that has effectively prevented local governments from enforcing their own rent stabilization ordinances for mobilehome residents. Current law prevents local rent stabilization ordinances from applying to any mobilehome resident with a lease longer than 12 months.

“When it comes to the issue of rent affordability for mobilehome residents, state law has been a part of the problem, not the solution,” said Senator Umberg. Senate Bill ~~999XXX~~ will provide local governments with a real opportunity to make community-informed decisions that protect residents. Our housing crisis demands solutions at every level, for all incomes, and all kinds of homeowners and renters,” continued Senator Umberg.

Janice Hahn, the Los Angeles County Supervisor representing the Fourth District, who has advocated for mobile home tenant protections at the County level, voiced her support for the bill with the following statement: “If we are going to protect this last bastion of affordable housing, we need to ensure mobile home tenants have the same protections that we have afforded apartment tenants. I thank Senator Umberg for partnering with Los Angeles County and introducing a bill to expand local rent stabilization protections to mobile home residents.”

Mark Ridley-Thomas, the Los Angeles County Supervisor representing the Second District, welcomed the measure with a statement as well: “The numbers speak for themselves and illustrate a stark reality, that we’re at the epicenter of a crisis and it requires our coordinated efforts and use of every tool at our disposal—this is one of them,” said Supervisor Ridley-Thomas. “Without a doubt the best response to keeping people from being homeless is keeping them in their homes.”

Linda Nye, the President of Golden State Manufactured-Home Owners League, also mentioned her support for Senate Bill ~~999XX~~: “Protecting our modest but affordable housing is becoming a crisis for many of the approximately one million fixed-income, low-income and modest-income seniors, disabled, veterans and immigrants living in California’s mobilehomes. Senator Umberg’s bill preserves, without exception, local government protections to ensure we are able to continue living in our warm, modest

home and not the cold, brutal streets. No loopholes. No exceptions. A human crisis calls for this type of leadership."

For more information on Senate Bill ~~999XXX~~, bill text and a fact sheet are attached. The measure is currently awaiting referral in the Senate Rules Committee. The measure will be eligible for a vote in its first policy committee sometime in mid-to late March.

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Senator Thomas Umberg represents the 34th Senate District 34, which includes the cities of Anaheim, Fountain Valley, Huntington Beach, Garden Grove, Long Beach, Los Alamitos, Midway City, Orange, Santa Ana, Seal Beach, and Westminster. Umberg is a retired U.S. Army Colonel, former federal prosecutor, and small businessman. He and his wife, Brigadier General Robin Umberg, USA (ret.), live in Orange County.