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TO: Members of the Rental Housing Committee

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SUBJECT: Application of the CSFRA to Mobile Home Parks

RECOMMENDATION

Direct staff to prepare the necessary agenda items to consider and adopt regulations related to Mobile Home Parks.

BACKGROUND

As part of its work plan, the RHC is considering whether the Community Stabilization and Fair Rent Act ("CSFRA") enacted by voters in the November 2016 general election applies to residents of mobile home parks in the City. At the request of the RHC, staff has analyzed the CSFRA and provided a summary for the RHC in this report.

ANALYSIS

The CSFRA does not expressly regulate mobile home parks. To answer the question of whether mobile home parks are covered by the CSFRA, staff first reviewed how the CSFRA would apply to residents of mobile home parks. In particular, the analysis focused on the fact that mobile home residents (1) own their mobile or manufactured home¹ and rent a space or lot for the mobile home ("mobile home space"), or (2) rent the mobile home and rent a lot for the mobile home (the "rental of mobile homes"). Next, staff reviewed the state Mobile Home Residency Law (Civil Code sections 798 *et seq.*, the "MRL"), which regulates the relationship between mobile home park owners and residents, including rental agreements for lots in mobile home parks, park rules and regulations, and transfers of mobile homes. Local agencies have the ability enact local

¹ For clarity, references in this memo to "mobile homes" include mobile and manufactured homes, because they are treated equally under state law for purposes of rent control. (See Civ. Code § 798.3(a).)

rent regulations to the extent that they do not conflict with state law. Any local regulation that conflicts with the MRL would be preempted and thus, have no effect.

Covered Rental Units under the CSFRA

The analysis begins with an examination of the definition of "Rental Unit" in the CSFRA. The CSFRA defines a broad universe of "Rental Units" and then exempts some Rental Units from regulation. (CSFRA §§ 1702(s), 1703-1704.) If a tenant rents a Rental Unit that is not specifically exempt under the CSFRA, then it is defined as a "Covered Rental Unit" subject to the CSFRA (CSFRA §§ 1702(d), 1706(b)). To determine whether mobile home spaces and/or the rental of mobile homes are covered by the CSFRA, the first step is to determine whether mobile home spaces and mobile homes themselves qualify as "Rental Units." The second step reviews whether any exclusion or exemption from the CSFRA applies to mobile home spaces and/or mobile homes. If a mobile home space or a mobile home is a Rental Unit that is not exempt, then the mobile home space and/or mobile home is a Covered Rental Unit governed by the CSFRA.

The CSFRA defines a Rental Unit as:

Any building, structure, or part thereof, or land appurtenant thereto, or any other rental property rented or offered for rent for residential purposes, together with all Housing Services connected with use or occupancy of such property, such as common areas and recreational facilities held out for use by the Tenant (CSFRA § 1702(s)).

The definition of Rental Unit in the CSFRA is broad enough to include mobile home spaces and mobile homes. A resident who rents a space for a mobile home would be considered to rent "other rental property rented or offered for residential purposes." Likewise, tenants who rent a mobile home are renting both the "structure" and "the land appurtenant thereto ... for residential purposes."

The CSFRA further defines Covered Rental Units as all Rental Units not specifically exempted by the CSFRA (CSFRA § 1702(d)). Therefore, the next step in the analysis is whether any of the exemptions would apply to the rental of mobile home spaces or mobile homes. After reviewing all of the exemptions found in Sections 1703 and 1704 of the CSFRA, staff determined that the rental of mobile home spaces are covered by the CSFRA. The answer is not as straightforward for the rental of mobile homes. Given the ambiguities in both state law and the CSFRA, it would be reasonable for the RHC to conclude the rental of mobile homes is covered or not covered. In other words, the RHC can make a determination whether the mobile homes are Covered Rental Units under the CSFRA.

CONCLUSION AND NEXT STEPS

From staff's perspective, the definitions in the CSFRA are broad enough to cover the rental of both mobile home spaces and mobile homes. In addition, the CSFRA is not incompatible with the MRL to such an extent that it precludes regulation of the rental of mobile home spaces and mobile homes. However, the existing conflicts between the MRL and the CSFRA will need to be addressed during the development of regulations for mobile home parks. One of the major goals of the process would be to address the ambiguities in the CSFRA. As the next step in the process, staff would prepare an agenda item outlining areas of potential regulations for further consideration and discussion by the RHC. Staff would then draft regulations for the RHC to review. As part of this regulatory process, Staff would recommend organizing separate stakeholder meetings for mobile home park owners and mobile home park residents in order for the RHC to receive stakeholder input as part of their decision making process. Six mobile home parks are located in the City of Mountain View, with a total of 1130 spaces.

DIRECTION NEEDED

For the reasons set forth above, staff recommends the RHC direct staff to prepare agenda items to consider and adopt regulations for Mobile home parks.

To do so, staff seeks initial direction on the following items from the RHC:

1. As part of drafting regulations for mobile home spaces, should the regulations include provisions related to the rental of mobile homes?
2. Does the RHC wish staff to organize outreach meetings with mobile home park owners and mobile home park residents in order to receive stakeholder input as part of the RHC decision making process?

FISCAL IMPACT

The FY 2017-18 budget did not anticipate costs related to regulating mobile home spaces and/or mobile homes. The conclusion that mobile home spaces qualify as Covered Rental Units, and a potential decision that mobile homes also qualify, will likely increase the number of Covered Rental Units and number of landlords subject to the Rental Housing Fee, and consequently increase the overall expenditures of the RHC.

PUBLIC NOTICING

- Agenda posting.
- Notification of Mobile Home Park Owners