

CITY OF
HAYWARD
HEART OF THE BAY

Mobilehome Park Regulations

City Council Work Session
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Recommendations

MH Parks

- 1) Draft zoning amendment re: 'Seniors Only' designation
- 2) Identify key priorities for further study
- 3) Create working committee to review the City Council's key priorities



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Outreach



- HMOA (residents) and WMA (park owners) identified approaches for improving regulation of mobilehome parks
- Staff met with & discussed proposals with both parties



Mobilehome Parks Matter

- 9 Mobilehome Parks (“MH parks”)
- 2,500 Spaces, Approx. 5,000 residents.

*Location
of MH
parks in
Hayward:*



HAYWARD



Unique Relationships



- Unique housing source
- Occupant owns home but pays rent on land
- Relocation often cost-prohibitive
- Few vacancies
- City acts as referee



Goals



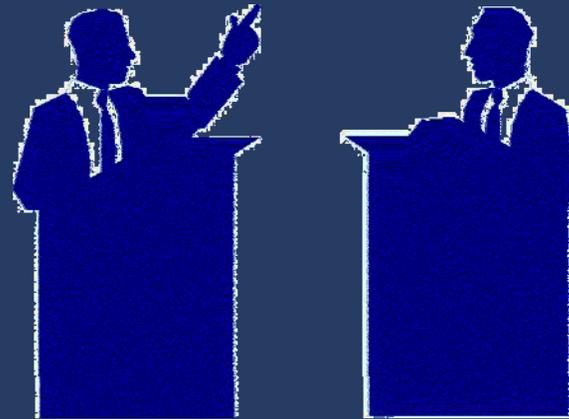
1. Support City Council objective to preserve affordable & senior housing
2. Strengthen MH park regulations
3. Seek direction from Council on key priorities



Policy Questions

General policy questions to be addressed:

1. Seniors-Only Designation
2. Water submetering
3. Capital improvements
4. Operational transparency
5. 'Fair rate of return' language
6. Vacancy decontrol
7. Automatic rent increases tied to CPI

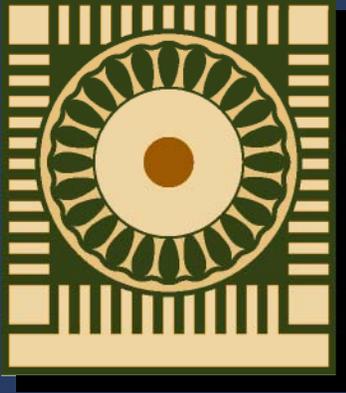


Seniors-Only Zoning



- Goal: preserve affordable housing for seniors
- Seniors-Only zoning designation would:
 - 80%+ of spaces occupied by age 55+ person
 - Allow parks to operate “as is”
 - CUP requirement for conversion from Seniors-Only, and vice versa





Key Priorities for Future Study



Water submetering

Submetering = residents pay for own water consumption.



Heavily regulated by CA law.



Resident input into capital improvements

- **Defined:** Improvements that materially add value to property.
- Regulations range from mandatory consultation to resident veto authority
 - **Pros:** Residents should vote on costs they are ultimately responsible for paying
 - **Cons:** Residents unlikely to approve rent increases



Increasing operational transparency



1. Insurance coverage disclosure
2. Itemized bills listing space rent separately from other pass-throughs
3. Consolidated anniversary dates for automatic rent increases



Mandatory insurance disclosure for common areas



Would require park owners to disclose insurance coverage amounts for common areas of park

- **Pros:** Residents informed about adequacy of coverage in community; disaster repair costs could be passed through to them
- **Cons:** Administrative burden



Separate listing of space rent from other pass-throughs



Would require that space rent be listed separately from all pass-throughs

- Pros:** Increases transparency so residents know what they are paying for
- Cons:** Additional administrative burden for park management



Common anniversary date for rent increases



Would mandate that all MH parks have a common anniversary date for automatic rent increases

- Pros:** Enables residents to confer and determine if increase is consistent with applicable law
- Cons:** Unnecessarily interferes with private business practices; administrative burden



Fair rate of return language

- Landlords must earn fair return on investment
- Current Ordinance satisfies Constitutional requirements.
- Staff will continue to monitor developments in the case *Guggenheim v. City of Goleta*.



Vacancy Decontrol



Would allow park owner to raise pad rent to any amount when resident moves.

- Pros:** Allows a park owner the ability to set land rental fee at market rate and receive better return on investment
- Cons:** Results in rent increase for residents and loss of equity (lowered home values)



Cost of Living Rent Increases



Existing law:

Park owner allowed annual “cost of living” (COL) rent increase capped at greater of 3% of rent or 60% of CPI

Proposal:

Allow COL rent increase at of 100% CPI with no cap

- Pros:** Results in greater maintenance of facilities and services
- Cons:** Depletes affordable housing, greater increases in rent



Conclusion



Staff seeks direction from the City Council on the following:

1. Drafting a Seniors-Only zoning designation for review by the Planning Commission
2. Identifying key priorities for further study
3. Creating a working committee to evaluate said priorities



Acknowledgments

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- **WMA/park owners:** Doug Johnson, Jeff Moore, Don Urie, Patrick Mochler and Gregory O'Hagan

