



Housing and Homelessness Advisory Commission

April 23, 2025

Item No. 5.1

ITEM TITLE

Mobilehome Rent Control: Retain the Administrative Fee for Mobilehome Rent Control Services at \$5 for Fiscal Year 2025/26

Location: No specific geographic location

Department: Housing and Homeless Services

G.C. § 84308 Regulations Apply: No

Environmental Notice: The activity is not a “Project” as defined under Section 15378 of the California Environmental Quality Act (“CEQA”) State Guidelines; therefore, pursuant to State Guidelines Section 15060(c)(3) no environmental review is required.

Recommended Action

Accept report, allow for public comment, and provide input.

SUMMARY

Effective August 18, 2011, the City, under Chula Vista Municipal Code (CVMC) Section 9.50.030, established an Administrative Fee to be assessed upon all eligible mobilehome residents receiving benefits and services under CVMC 9.50 (“Chapter 9.50” or the “Ordinance”) – Mobilehome Park Space Rent Review. Chapter 9.50 no longer requires that the Administrative Fee be established annually by the action of the City Council if no change to the fee amount is being recommended. At this time, staff recommends retaining the fee at \$5 for fiscal year 2025-26 (“FY 26”).

ENVIRONMENTAL REVIEW

The activity is not a “Project” as defined under Section 15378 of the CEQA State Guidelines; therefore, pursuant to State Guidelines Section 15060(c)(3) no environmental review is required.

DISCUSSION

Chapter 9.50 offers unique benefits and services solely to eligible mobilehome residents. As part of the annual Administrative Fee update process, staff is reporting out on prior year revenues and expenditures to establish the amount necessary to recover the costs of administering Chapter 9.50. This report provides an update on revenues and expenditures for July 1, 2024 - June 30, 2025 and recommends maintaining the fee at \$5 for FY 26.

Fiscal Year 2024-25 ("FY 25") Projected Revenues and Expenditures

Revenues for FY 25 were anticipated to total \$11,000 based on 2,200 residents paying a fee of \$5. Actual payments were received from 2,355 eligible spaces, resulting in total collected revenues of \$11,775. A summary of revenues and projected expenditures is provided in Table 1, followed by a description of related activities.

Table 1
FY 2025 BUDGET SUMMARY

	Budgeted	Projected
Revenues:		
Fund Balance as of 7/1/24		\$ 249,901
Collected Revenues	\$ 11,000	\$ 11,775
Investment Earnings		\$ 0
TOTAL FUNDS		\$261,676
Expenditures:		
Staff Charges	\$ 39,000	\$ 39,000
Experts	\$ 25,000	\$ 0
Administrative/Billing Costs	\$ 4,000	\$ 4,000
TOTAL EXPENDITURES		\$ 43,000
Projected Surplus/Deficit		\$218,676

Staff Charges

Administration of Chapter 9.50 is projected to result in staff charges of \$39,000 for FY 25. Staff provided the following services:

- *Ombudsman Activities (Office Visits & Mobilehome Information Line)* – Staff responded bilingually to all inquiries related to Chapter 9.50.
- *Resident Invoicing Preparation* – A June 1st billing and/or ineligible notice was sent to all mobilehome/trailer residents and in August, reminder notices were sent to all residents with a balance due and to those residents determined ineligible.
- *Fee Collection* – Collection and processing of fee payments received. This fiscal year an online portal was added for electronic payments, resulting in additional administrative expenses for maintenance issues.
- *Database Maintenance* – Maintained the database with current resident information.
- *General Ombudsman* - Provided residents with general information on rent control and resources related to mobilehome parks via phone and office visit.
- *Annual Permissive Rent Calculations* - Twice a year, the Consumer Price Index (CPI) is released and notification was sent to all park owners and managers of the annual permissive rate as calculated under Section 9.50.050.
- *Rent Review Inquiries/Hearing Administration* – Staff coordinated inquiries regarding rental increases between residents and park management as needed.

Experts

No rent review hearings or hiring of experts was necessary during FY 25. Funds collected will be available to appropriate in FY 26 for hiring of experts if a second rent review case is required. The lack of hearings also resulted in staff time reimbursement savings to the program.

Administrative Costs (Postage, Office Supplies and Printing)

In FY 25, the billing of the administrative fee was contracted out. Additional annual administrative costs, including CPI notices and publication of this hearing notice were incurred.

Fiscal Year 2025-26 ("FY 26") Budget and Administrative Fee

Staff recommends the fee be retained at \$5 dollars for FY 26 due to the current fund balance and lack of rent review hearing activity. Important factors taken into consideration include:

- Since the ordinance amendments in 2012, no rent review cases have been heard for existing residents. However, two rent review cases began the process (Rancho Bonita in FY15 and El Mirador in FY18). In both cases, the rent increases were agreed upon between resident and owner prior to hearing. Prior to the 2012 amendments, existing resident rent review cases occurred approximately every other year. Therefore, staff has forecasted expenditures with one case every three years. This is a change from prior forecasting of every other year. In addition, staff is currently (April 2025) working with the Bayside Senior Mobilehome Park which was recently acquired to determine if a rent increase above the annual permissive will be requested.
- Staff costs to administer the fee and rent review services have remained stabilized.
- Since the fee has been reduced to \$30 or less, more residents have been consistently paying. Therefore, projections remain at 2,200 residents to pay this coming year.

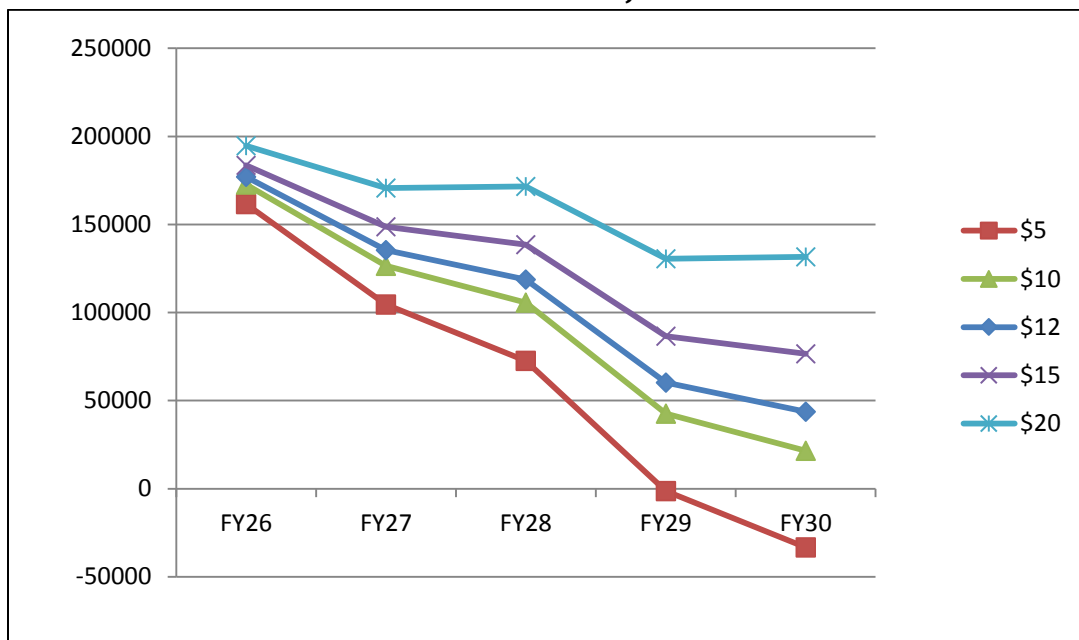
Table 2 provides a summary of the FY 26 budget which anticipates one rent review case and a contingency of \$25,000 for expert time related to one additional case, if needed, with an estimated ending fund balance of \$125,676.

Table 2
FY 2026 BUDGET SUMMARY

	Budget
Revenues:	
<i>Projected Fund Balance as of 7/1/25</i>	\$ 218,676
Anticipated Revenues (2,200 @ \$5)	\$ 11,000
Expenditures:	
Staff Charges	\$ 55,000
Experts	\$ 25,000
Administrative/Billing Costs	\$ 5,000
TOTAL ANTICIPATED EXPENDITURES	\$ 85,000
Contingency for Experts	\$ 25,000
<i>Anticipated Fund Balance as of 6/30/26</i>	<i>\$ 144,676</i>

With the fee at \$5, annual revenues alone will not cover costs if heavy administrative costs are expended in a given year. Therefore, fund balance would then be used to maintain administrative services. If cases were to occur every third year, program funds would rapidly be depleted. For this reason, Staff do not recommend any lowering of the fee rate going forward. Account projections based on differing fee amounts and assuming cases every third year are detailed in Table 3 below:

Table 3
FUND BALANCE PROJECTIONS



Given current workload and few actual cases, staff has projected being able to maintain the fee for a few years at \$5 and will make further considerations to changes in the fee if any cases are heard in the next few years.

DECISION-MAKER CONFLICT

Staff has determined that the action contemplated by this item is ministerial, secretarial, manual, or clerical in nature and, as such, does not require the Housing and Homelessness Advisory Commission members to make or participate in making a governmental decision, pursuant to California Code of Regulations Title 2, section 18704(d)(1). Consequently, this item does not present a conflict of interest under the Political Reform Act (Cal. Gov't Code § 87100, et seq.).

Staff is not independently aware, and has not been informed by any Commission member, of any other fact that may constitute a basis for a decision maker conflict of interest in this matter.

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