

# **Item 9.1 Amendments to CVMC 9.50 Mobilehome Park Space Rent Review & Adoption of FY 24-25 Fee**

Presented by:

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**HOUSING &  
HOMELESS SERVICES**

# History of Mobilehome “Rent Control”

## *Chula Vista Municipal Code Chapter 9.50*

1982

Fees equal  
between  
residents &  
owners

100% CPI  
Rental Index

Mediation

Park  
Commission

1987

100% CPI  
Consumer  
Index

1988

Arbitration

1989

Fees split 75%  
owner & 25%  
resident

1991

Mobilehome  
Rent Review  
Commission

1998

Rent Review  
Hearing  
Process

2002

Formula of  
CPI CPI up to  
3% + 75% >  
3%

2011

**Fees 100%  
resident**

**No petition  
on change of  
ownership**

# Rent Review Process

## Eligible Households for Rent Review Services

1. Own coach/trailer;
2. Valid space rental agreement for term of  $\leq 12$  months;
3. Home is principal residence; and
4. *Pay the annual administrative fee.*

At or below  
Annual  
Permissive  
Rate

90 Day Notice  
of Increase

Greater than  
Annual  
Permissive  
Rate

Mandatory  
Park Meeting  
*within 10  
days of  
Notice*

> 50% of  
Residents  
agree to  
increase

Petition  
*within 30  
days of  
Notice*

Hearing  
Scheduled  
*within 30  
days of  
Petition*

Commission  
Hearing

Rate fixed

Appeal via  
Litigation

PLEASE POST

FEBRUARY 13, 2024

## ATTENTION RESIDENTS AN IMPORTANT NOTICE FROM THE CITY OF CHULA VISTA

THE CHANGE IN THE CONSUMER PRICE INDEX FOR THE SAN DIEGO COUNTY AREA IS 3.8% FROM JANUARY 2023 TO JANUARY 2024, PUBLISHED BY THE BUREAU OF LABOR STATISTICS OF THE U.S. DEPARTMENT OF LABOR ON FEBRUARY 13, 2024.

IN ACCORDANCE WITH SECTION 9.50.050 OF THE CITY OF CHULA VISTA MUNICIPAL CODE, "RENTS FOR MOBILEHOME RESIDENTS MAY BE INCREASED AUTOMATICALLY AND ONLY ONCE IN A CALENDAR YEAR BY NO MORE THAN THE PERCENTAGE CHANGE IN THE CPI, WHEN THE CPI IS THREE PERCENT (3%) OR LESS, AND 75 PERCENT OF THAT CHANGE IN THE CPI ABOVE THREE PERCENT (3%) TO BE KNOWN AS THE 'ANNUAL PERMISSIVE' RENT INCREASE."

**THE ANNUAL PERMISSIVE RENT  
INCREASE IS CURRENTLY 3.6 PERCENT.**

If you have any questions or would like a copy of Chapter 9.50 of the City's Municipal Code, please contact the City of Chula Vista Housing Division at (619) 585-5600, option 1.

# Current Conditions



## Commission Quorum

- Lack of cases & limited Commission purview have led to infrequent meetings

## Accumulation of Administrative Fee Funds

- Accumulated funds may only be used for on-going expenses in relation to the benefits and services provided by Chapter 9.50
- Lack of rent review hearings have led to minimal spending of administrative funds & need to decrease fee several times

FY	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Spaces Paid	2,157	1,907	2,104	2,144	2,247	2,251	2,309	2,390	2,354	2,332	2,358
Fee	\$60	\$60	\$40	\$40	\$30	\$25	\$25	\$12	\$12	\$12	\$10



# Considered Solutions



## Administrative Authority

- Create a Hearing Officer instead of Commission
- Internal staff or third party

## Administrative Fee

- Repeal 9.50.030 “Administrative fee”
- Require park owners provide an initial deposit and full cost recovery for hearings

# Stakeholder Engagement

## Meetings

- Park owners - April 5, 2024 (virtual)
- Residents - April 8, 2024 (in-person)

## Feedback

- Hearing Officer should be known and neutral
- Do not eliminate Administrative Fee, rather consider suspending or reducing



# Staff Recommended Actions: Amend CVMC 9.50



## Administrative Authority

- Add definition 9.50.010(K) & section 9.50.025, creating a Hearing Officer for Rent Review Hearings
- Update references throughout

## Administrative Fee

- Amend section 9.50.030, removing annual reporting requirement

## Minor Administrative Clean-Up

# Staff Recommended Actions: Rent Review Process

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**Create  
Hearing  
Officer**

Commission  
Hearing

Rate fixed

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Litigation



# Staff Recommended Actions: Administrative Fee

## FY 23-24 Revenues & Expenditures

Table 1: FY 24 BUDGET SUMMARY

	Budgeted	Actual
<b>Revenues:</b>		
Fund Balance as of 7/1/23		\$ 229,127
Fee Revenues	\$ 23,000	\$ 23,670
Investment Earnings	\$ 0	\$ 0
<b>TOTAL FUNDS</b>		<b>\$ 252,797</b>
<b>Expenditures:</b>		
Staff Charges	\$ 37,000	\$ 28,000*
Experts	\$ 25,000	\$ 0
Administrative/Billing Costs	\$ 5,000	\$ 4,959
<b>TOTAL EXPENDITURES</b>		<b>\$ 32,959</b>
<b>Surplus/Deficit</b>		<b>\$ 219,838</b>

*\*Projected charges through June 30, 2024*

## Projected FY 24-25

Table 2: FY 25 BUDGET SUMMARY

		Budget
<b>Revenues:</b>	Projected Fund Balance as of 7/1/24	\$ 219,838
	Anticipated Fee Revenues (2,350 @ \$5)	\$ 11,750
	<b>TOTAL ANTICIPATED REVENUES</b>	<b>\$ 231,588</b>
<b>Expenditures:</b>	Staff Charges	\$ 35,000
	Experts	\$ 25,000
	Administrative/Billing Costs	\$ 5,000
	<b>TOTAL ANTICIPATED EXPENDITURES</b>	<b>\$ 65,000</b>
	<i>Contingency for Expert</i>	<i>\$25,000</i>
	<b>Anticipated Fund Balance as of 6/30/24</b>	<b>\$ 141,588</b>



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# Recommendation

- A. Ordinance amending CVMC 9.50:
  - 1. Add section 9.50.025, Mobilehome Rent Review Hearing Officer - Creation of Position – Authority;
  - 2. Amend Section 9.50.030, Administrative Fee for reporting; and
  - 3. Update sections to reflect Hearing Officer.
- B. Ordinance repealing Chapter 2.31, Mobilehome Rent Review Commission
- C. Resolution amending Chapter 18 of the Master Fee Schedule reducing fee to \$5

# Next Steps

## Monitor Fund Balance

- Reassess annually
- Report to Housing & Homeless Advisory Commission

## Continue Stakeholder Meetings

- Options to suspend or repeal administrative fee

Table 3: FUND BALANCE PROJECTIONS

