



COUNTY OF HUMBOLDT

AGENDA ITEM NO.
C-24

For the meeting of: December 13, 2016

Date: November 28, 2016

To: Board of Supervisors

From: John Ford, Director Planning and Building Department *[Signature]*

Subject: Setting an Administrative Service Fee, adopting implementing Guidelines, and Authorizing a Loan to Implement Mobile Home Rent Stabilization **(4/5 Vote)**

RECOMMENDATION(S):

That the Board of Supervisors:

1. Adopt resolution (Attachment 1) setting an Administrative Service Fee to offset the cost to implement and administer the Mobile Home Rent Stabilization; and
2. Direct the Auditor to create an interest bearing trust fund 3941–Mobile Home Admin Fee to hold administrative fees, and to pay for direct implementation costs; and
3. Approve the following supplemental budget in fund 1100, budget unit 282, Advanced Planning of the Planning and Building Department:

Fund		
Revenue		
1100-282-631155	Administrative Fees	\$ 53,000
Expense		
1100-282-3280	Administrative Overhead	\$ 53,000

4. Adopt resolution (Attachment 2) authorizing an inter-fund loan from the Building trust to the Mobile Home Admin Fee fund; and

[Signature: Cheryl Dilligian]

Prepared by Paula Mushrush

CAO Approval

REVIEW:

Auditor *[Signature]*

County Counsel *[Signature]*

Human Resources

Other

TYPE OF ITEM:

- Consent
- Departmental
- Public Hearing
- Other

PREVIOUS ACTION/REFERRAL:

Board Order No. _____

Meeting of: _____

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT

Upon motion of Supervisor *Fennell* Seconded by Supervisor *Bass*

Ayes *Sundberg, Fennell, Lovelace, Bohn, Bass*

- Nays
- Abstain
- Absent

and carried by those members present, the Board hereby approves the recommended action contained in this Board report.

Dated: *Dec. 13, 2016*

By: *[Signature]*
Kathy Hayes, Clerk of the Board

SOURCE OF FUNDING: The source of funds for implementation and administration of this program will be covered by fees collected from non-exempt mobile home park space renters in mobile home parks subject to the rent control provisions established by Measure V.

DISCUSSION: Measure V obligates the County to administer the ordinance regulating rents for mobile home parks and allows the County to collect an administrative fee to reimburse the expenses of administering this program. Staff is proposing the Board set the administrative fee at \$5.00/month, and establish procedures for administering this program (Attachment 1). A second resolution (Attachment 2) will allow an inter-fund loan to fund the start-up costs of this program. This loan will be repaid in the next two years.

On November 8, 2016, Humboldt County voters passed Measure V, adopting an ordinance to regulate space rent increases in mobile home parks with ten or more spaces within the unincorporated area of Humboldt County. On December 13, 2016 the Board of Supervisors is scheduled to certify the election results incorporating this ordinance into the Humboldt County Code.

Measure V places certain obligations on the County including annual registration of mobile home parks and spaces within each park; establishment of a web site with information about the ordinance, creation of forms and procedures, and sending notices to mobile home park owners and elected tenant representatives. Each year the Board of Supervisors is to calculate, post and give notice of the allowable annual Consumer Price Index (CPI) increase tied to allowable rent increases. The Board can adopt rules and guidelines to implement the ordinance which may include delegation of the ministerial task of calculating the allowable CPI increase. The guidelines for implementing this program are included as an attachment to Resolution #1.

In order to cover the cost of this effort, the ordinance allows an administrative fee of up to \$5.00 per month per non-exempt space to be collected by the park owners and remitted quarterly to the County. The amount of the fee is to be set by Board Resolution (Attachment 1). Staff is proposing starting at a \$5.00 per month fee based on an estimated three-year budget (Attachment 3) showing the projected costs and income associated with a \$5.00/month fee. There are potentially 1,502 spaces covered by this ordinance and it is estimated 25% of the spaces are exempt from the program and will not pay a \$5.00 fee. As can be seen in attachment 3 the first year will result in a net deficit, this is anticipated to be recouped in the next two years. An inter-fund loan is requested (Attachment 2) to fund the initial program costs, until the fees pay the startup costs and then the fees can be calibrated for ongoing administration of the program. It is currently projected that this fee will go down in fiscal year 2017-18. Fees need to be set each year by resolution.

The ordinance states that the funds must be held in a separate trust. Staff is requesting authorization for the Auditor to set up a separate trust (3941–Mobile Home Admin Fee) to hold administrative fees. Administrative fees collected may only be drawn upon for direct implementation of the ordinance. This approach is consistent with the provisions of the ordinance.

FINANCIAL IMPACT: The overall increase in costs associated with mobile home stabilization is anticipated to be \$53,000 in the 2016-17 budget.

The Mobile Home Admin Fee Fund (MHAF) will reimburse budget unit 1100-282 for the 2016-17 costs associated with the implementation and administration of the Mobile Home Rent Stabilization Ordinance.

The MHAF will be funded by \$17,000 in projected administrative service fees and a loan from the Building Trust. The Building Trust will be reimbursed out of future revenue earned from administrative service fees.

This meets the board's strategic framework by protecting vulnerable populations.

OTHER AGENCY INVOLVEMENT: There is no other agency involved at this time.

ALTERNATIVES TO STAFF RECOMMENDATIONS: The provisions of the ordinance are clear, the Board's discretion is limited to the amount of the administrative fee, and how to fund the start-up implementation costs.

ATTACHMENTS:

Attachment 1: Setting an Administrative Service Fee to offset the cost of the Mobile Home Rent Stabilization Ordinance and adopting Rules and Guidelines for Implementation

Attachment 2: Resolution Authorizing an Inter-Fund Loan from the Building Trust to the Mobile Home Admin Fee Fund

Attachment 3: Projected 3-year Budget

ATTACHMENT 1
Resolution
Setting an Administrative Service Fee to
Offset the cost of the Mobile Home Rent stabilization Ordinance
And
Adopting Rules and Guidelines for Implementation

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT, STATE OF CALIFORNIA
Certified copy of portion of proceedings, Meeting of December 13, 2016

RESOLUTION NO. 16-137

RESOLUTION IMPLEMENTING SETTING AN ADMINISTRATIVE FEE TO OFFSET THE COSTS OF MOBILE HOME RENT STABILIZATION AND ADOPTION OF RULES AND GUIDELINES FOR IMPLEMENTATION

WHEREAS, on November 8, 2016 the electorate voted to adopt Measure V, the Mobile Home Rent Stabilization Ordinance; and

WHEREAS, on December 13, 2016 the Humboldt County Board of Supervisors passed and certified the election results including the Mobile Home Rent Stabilization Ordinance, which will be added to Title IX, Division 10, Chapter 1, Section 9101 within ten days; and

WHEREAS, the County of Humboldt has done estimates of the cost of staff to implement and provide the service of administering the Ordinance, entitled Mobile Home Rent Stabilization and has determined the cost of providing the services will not exceed the amount of the fee; and

WHEREAS, Title IX, Division 10, Chapter 1, Section 9101-25 Fees of Administration, authorizes the County Board of Supervisors to set a reasonable fee for administration by resolution. The Board of Supervisors finds that the cost of administration of the Mobile Home Rent Stabilization Ordinance is likely to exceed the amount authorized to be collected, and that therefore the Board finds and determines that full amount of \$5.00 per space per month fee is reasonable; and

WHEREAS, the ordinance notes deadlines and reports that are needed, the implementing Rules and Regulations expand and clarify these, including delegating ministerial acts on the calculating and setting of the Consumer Price Index (CPI) and related noticing requirements. Title IX, Division 10, Chapter 1, Section 9101-23 Rules and Regulations, allows for adoption of rules and Guidelines for implementation.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. **Administrative Service Fee.** An Administrative service fee shall be charged monthly upon persons occupying space within a mobile home park for the privilege conferred upon those receiving the specific rent stabilization benefits conferred by the Mobile Home Rent Stabilization Ordinance, in accordance with the requirements of the County of Humboldt code Title IX, Division 10, Chapter 1, Section 9101. Persons occupying spaces which are exempt from Mobile Home Rent Stabilization Ordinance, as set forth in Title IX, Division 10, Chapter 1, Section 9101, and/or who receive no specific rent stabilization benefits are exempt.
 - a. **Collection of Administrative Service Fee.** Administrative service fee shall be paid from every occupied mobile home space, except exempt spaces, on a monthly basis and shall be collected by each park owner and submitted to the County by park owner on a quarterly basis, within thirty days after the end of each quarter. This fee shall be deemed a debt owed by a person occupying the space within the mobile home park. Any such fee that has been collected by a park owner which has not been paid over to the County shall be deemed a debt owed to County. Park owners are not required to pay the fee to the County of spaces occupied by a person who fails to pay the fee to the park owner. Any person owing money to the County under the provisions of this Resolution shall be liable for an action brought by the County of Humboldt which shall be paid for by fees collected under this Resolution.

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT, STATE OF CALIFORNIA

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RESOLUTION NO. 16-137

- b. Amount of Administrative Service Fee. For the first two years of implementation, the Administrative service fee shall be set in the amount of \$5.00 per month, for each occupied mobile home space, except exempt spaces, first due on the first day of April, 2017.
- 2. Severability. If any portion of this Resolution is found to be unconstitutional or invalid the Board of Supervisor hereby declares that it would have enacted the remainder of this Ordinance regardless of the absence of any such invalid part.
- 3. The Auditor is authorized to make the appropriate budgetary and accounting entries as directed by the Board of Supervisors.
- 4. The Board of Supervisors adopts the Rules and Guidelines for Implementation, attached as Exhibit A.

Dated: December 13, 2016



MARK LOVELACE, Chair
Humboldt County Board of Supervisors

Adopted on motion by Supervisor Fennell, seconded by Supervisor Bass, and the following vote:

AYES: Supervisors Sundberg, Fennell, Lovelace, Bohn, Bass
NAYS: Supervisors --
ABSENT: Supervisors --
ABSTAIN: Supervisors --

STATE OF CALIFORNIA)
County of Humboldt)

I, KATHY HAYES, Clerk of the Board of Supervisors, County of Humboldt, State of California, do hereby certify the foregoing to be an original made in the above-entitled matter by said Board of Supervisors at a meeting held in Eureka, California.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of said Board of Supervisors.



By ANA HARTWELL
Deputy Clerk of the Board of Supervisors of the
County of Humboldt, State of California

EXHIBIT A
To Resolution
Setting an Administrative Service Fee to
Offset the cost of the Mobile Home Rent stabilization Ordinance
And
Adopting Rules and Guidelines for Implementation

MOBILE HOME RENT STABILIZATION RULES AND GUIDELINES

The Mobile Home Rent Stabilization Ordinance, Title IX, Division 10, Chapter 1, Section 9101-23, allows the County to adopt rules and procedures to implement the applications, notices, registration, verification and certifications required by the Chapter, and for Fair Return petitions the review of rent increase applications and conduct of hearings.

1) Consumer Price Index

County shall use the Consumer Price Index (CPI) for the San Francisco-Oakland-San Jose area as reported by the Bureau of Labor Statistics of the United States Department of Labor, as prescribed in this Chapter.

2) Notice of Annual Allowable Rent Increase

Notices regarding rent increases in ordinance have been adapted to reflect US Bureau of Labor Statistics CPI release date.

- a) The ordinance ties the CPI annual increase to annual increase reported as of January 30th compared to the prior year.
- b) The County Board of Supervisors appoints and directs the Planning and Building Department, Housing Division, to make the calculation of the annual increase each year, mail notices regarding increase, and post to website and in County buildings as prescribed by Chapter 1 of Division 10; notices shall be sent and posted within 30 days, or by April 15th of each year.
- c) The park owner may increase rent any time after receiving notice, provided that the mobile home owner has received proper notice per state law.

3) Annual Registrations

No later than February 1st of each year the Park owner shall submit a registration form containing the following information:

- Names, addresses, telephone numbers of each entity with ownership interest.
- Number of mobile home spaces in the park.
 - Number of exempt spaces
 - Number of spaces covered by this ordinance
- Rent schedule, reflecting the current space rent.
- Listing of all other charges, including utilities, including the approximate amount of each additional charge.
- The name and address of where formal notices should be sent.

4) Administrative Fees

- a) Administrative fees, in the amount of \$5.00 per qualifying space, shall be collected by each park owner.
- b) The initial notice of \$5 administrative fee shall take effect no later than April 1, 2017.

- c) The fees collected shall be submitted to the County on a quarterly basis, within thirty (30 days) after the end of each quarter, and will be submitted with a report covering the following items:
- Number of exempt spaces
 - Number of qualifying spaces paying
 - Number of qualifying spaces not paying

ATTACHMENT 2
Resolution
Authorizing Loan from Building Trust to
Mobile Home Admin Fee Trust

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT, STATE OF CALIFORNIA
Certified copy of portion of proceedings, Meeting of December 13, 2016

RESOLUTION NO. 16-146

**RESOLUTION OF THE HUMBOLDT COUNTY BOARD OF SUPERVISORS
AUTHORIZING AN INTER-FUND LOAN FROM THE BUILDING TRUST TO THE
MOBILE HOME ADMIN FEE FUND**

WHEREAS, on November 8, 2016 the electorate voted to adopt Measure V, the Mobile Home Rent Stabilization Ordinance; and

WHEREAS, on December 13, 2016 the Humboldt County Board of Supervisors passed and certified the election results including the Mobile Home Rent Stabilization Ordinance, which will be added to Title IX, Division 10, Chapter 1; and

WHEREAS, on December 13, 2016 the Board of Supervisors approved an administrative service fee, in the amount of \$5, to be charged monthly upon persons occupying space within a mobile home park for the privilege conferred upon those receiving the specific rent stabilization benefits conferred by the Mobile Home Rent Stabilization Ordinance, in accordance with the requirements of the County of Humboldt code Title IX, Division 10, Chapter 1, Section 9101; and

WHEREAS administrative service fees will begin to be collected and paid to the County the last quarter of the current fiscal year; and

WHEREAS, it is anticipated that the cost associated with implementation and administration of the mobile home rent stabilization program, in fiscal year 2016-17 will exceed fees collected.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. That an inter-fund loan is hereby authorized from the Building Trust to the Mobile Home Admin Fee Fund, in an amount not to exceed \$36,000.
2. That the loan is to be repaid from future administrative service fees collected.
3. That accelerated payment may be required if cash requirements so dictate.

Dated: December 13, 2016



MARK LOVELACE, Chair
Humboldt County Board of Supervisors

Adopted on motion by Supervisor Fennell, seconded by Supervisor Bohn, and the following vote:

AYES:	Supervisors	Sundberg, Fennell, Lovelace, Bohn, Bass
NAYS:	Supervisors	--
ABSENT:	Supervisors	--
ABSTAIN:	Supervisors	--

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT, STATE OF CALIFORNIA


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RESOLUTION NO. 16-146

STATE OF CALIFORNIA)
County of Humboldt)

I, KATHY HAYES, Clerk of the Board of Supervisors, County of Humboldt, State of California, do hereby certify the foregoing to be an original made in the above-entitled matter by said Board of Supervisors at a meeting held in Eureka, California.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of said Board of Supervisors.



By ANA HARTWELL
Deputy Clerk of the Board of Supervisors of
the County of Humboldt, State of California

ATTACHMENT 3

Projected Budget for Implementing and Administering Measure V Mobile Home Rent Control Ordinance

1100-282 MOBILE HOME RENT STABILIZATION ORDINANCE BUDGET

	Fiscal Year	2016-17	2017-18	2018-19
Revenue*		16,898	\$ 67,590	\$ 67,590
Expenses				
Management of Program	\$	15,238	\$ 30,476	\$ 30,476
Implementation Work Plan	\$	16,931		
Prepare and issue Notices	\$	4,076		
Info Meetings	\$	2,538		
Ann Rpt, mail, review, follow-up	\$	9,237	\$ 9,237	\$ 9,237
CPI analysis/Mailer/Posting	\$	4,887	\$ 4,887	\$ 4,887
Total Expenses	\$	52,907	\$ 44,599	\$ 44,599
Repayment To Building Trust			\$ 22,991	\$ 13,018
TOTAL SURPLUS/SHORTFALL:		(36,009)	(13,018)	9,973

* Assumes 25% of spaces are exempt every year.

* Year one assumes that fees are collected for three months.