



# STAFF REPORT – CITY COUNCIL MEETING

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May 15, 2024

**TO:** Honorable Mayor and City Council Members

**FROM:** David Loya, Director of Community Development  
Jennifer Dart, Deputy Director of Community Development

**PREPARER:** Jennifer Dart, Deputy Director of Community Development

**DATE:** April 16, 2024

**TITLE:** **Introduce Ordinance No. 1568 Amending the Mobilehome Rent Stabilization Regulations to Reduce the Mobilehome Rent Stabilization Fee.**

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## **RECOMMENDATION:**

It is recommended that the Council:

- 1) Find the proposed action exempt from the California Environmental Quality Act (CEQA) pursuant to the general rule under the California Environmental Quality Act that the action does not have the potential to have an environmental effect (the “Act”) Section 15061(b)(3) of the Act Guidelines; and
- 2) Introduce Ordinance No. 1568, An Ordinance of the City Council of the City of Arcata Amending Mobilehome Rent Stabilization Regulations; waive reading of the text and consent to read by title only.

## **INTRODUCTION:**

City Council adopted the Mobilehome Rent Stabilization Ordinance No. 1487 on November 1, 2017. The ordinance included a rent stabilization administration fee to cover the costs associated with implementation of the ordinance. At the time of adoption, the administration fee was set at a minimum of \$10 per month per space. This action would remove the \$10 minimum administration fee and replace it with a fee established in the Master Fee Schedule by resolution annually.

## **DISCUSSION:**

In the City’s six mobile home parks, four are subject to the ordinance. In the four parks subject to the ordinance there are just under 400 mobile home spaces covered by the ordinance at any given time (this number fluctuates depending on occupancy). The mobile home park owners are required to submit the rent stabilization fee of \$10 per month for the covered spaces quarterly, half of which park owners may pass on to the affected mobilehome owners.

The Rent Stabilization Administration Fee was established with the ordinance to offset all or a portion of the administrative costs necessary to implement the ordinance, a portion of which is reserved for any necessary legal fees to protect the City in the event of a lawsuit or fair return petition. The original cost estimate for administration associated with the rent stabilization

ordinance was approximately \$45,000 per year. This first few years the ordinance was in place it required substantial staff time and City attorney costs to set up a system for implementation of the ordinance. The costs associated with implementation of the program over the past several years have been about half of the originally estimated cost. Current administration costs are minimal but may fluctuate depending on the number and timing of any fair return petitions or other administratively intensive processes associated with the ordinance.

Adding the administration fee to the Master Fee Schedule will allow the city to adjust the fee based on actual administrative costs, instead of imposing a set minimum fee. At adoption of the next Master Fee Schedule, staff recommends the rent stabilization administration fee be set at \$5.00 per space per month. While staff acknowledges that the current administration fee is a minimal cost to residents, we also understand that many of the residents in our mobilehome parks live on very-low fixed incomes and any reduction in fees can be helpful.

In order to make ensure all affected mobilehome park residents were engaged and understood the change to the ordinance, we reached out to the Lazy J homeowner representative (the only park that has a homeowner representative), as well as the managers and owners of each park. Notices were mailed to the address of each affected mobilehome as well as each park manager and owner, fourteen days prior to the hearing. An e-notification was sent out May 2<sup>nd</sup>, the day the draft ordinance amendment was released on the City website to the public for review.

Staff recommends the Council adopt this amendment by introducing Ordinance 1568 (Attachment A) at this meeting and adopting on June 5, 2024.

**ENVIRONMENTAL REVIEW (CEQA):**

Adoption of ordinances for the stabilization of mobilehome rents and regulation of park conversion or closure are exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) of the CEQA Guidelines based on the finding that the provisions of the ordinance constitute additional regulation for a process already existing under State law and thus does not have the potential for causing a significant impact to the environment.

**ATTACHMENTS:**

- A. Ord 1568 Rent Stabilization Amend (PDF)