

**EXHIBIT 2
VENTURA COUNTY
MOBILE HOME PARK RENT CONTROL PROGRAM**

**TRI-ANNUAL STATUS REPORT
JANUARY 1, 2017 TO DECEMBER 31, 2019**



Ventura County Resource Management Agency – Planning Division

Dillan Murray, Mobile Home Park Rent Review Board Staff Administrator

Denice Thomas, AICP, Manager – Planning Programs Section

Dave Ward, AICP, Planning Director

Report Prepared: February 2020

Mobile Home Park Rent Review Board Approved: February 19, 2020

TRI-ANNUAL STATUS REPORT VENTURA COUNTY MOBILE HOME PARK RENT CONTROL PROGRAM (January 2017 – December 2019)

Authority

The County of Ventura’s Mobile Home Park Rent Control Ordinance (Ordinance) specifies the Mobile Home Park Rent Review Board (MHPRRB) shall prepare “a *tri-annual comprehensive written report to the Board of Supervisors concerning its activities, holdings, actions, results of hearings, and all other matters pertinent to this Ordinance which may be of interest to the Board of Supervisors.*” (Section 81004 (e) Ordinance No. 4462).

Background

The Ordinance was originally adopted by the Ventura County Board of Supervisors (BOS) in February 1983. The purpose of the Ordinance is to protect the owners and residents of mobile homes, trailers, and other mobile dwelling units from unreasonable space rental increases while simultaneously recognizing and providing for the need of the park owners to receive a just and reasonable return on their property. The Ordinance also established the MHPRRB and designated it as the body to receive, investigate, and hold hearings on issues related to mobile home park rent stabilization, and to review discretionary rent increases for mobile home spaces subject to the Ordinance.

Since the adoption of the Ordinance, the Ventura County Mobile Home Park Rent Control Program has considered a total of 709 annual ministerial rent increase applications, pursuant to Section 81005 (Annual Social Security Cost of Living Adjustment (SSCOLA) Ministerial Rent Increases) of Ordinance No. 4462. Currently, there are approximately 1,342 mobile home spaces in 24¹ mobile home parks subject to rent control in the unincorporated areas of Ventura County.

MHPRRB Members and Staff

Current Board Member	Appointment Date	Term
Henry (Tom) Hundley - Chair	2/05/2019	2/05/2019 – 2/04/2022
Chuck Eskew – Vice Chair	2/05/2019	2/05/2019 – 2/04/2022
Richard Francis	2/05/2019	2/05/2019 – 2/04/2022
Brent Rosenbaum	2/05/2019	2/05/2019 – 2/04/2022

¹ There are 25 mobile home parks located in the unincorporated Ventura County. One of those mobile home parks was built after the adoption of the 1983 Ordinance and, thus, is entirely exempt from the provisions of the Ordinance pursuant to Section 81002 (b).

Staff Member	Title
Dillan Murray, Assistant Planner	Resource Management Agency – Planning (Planning) MHRRB Staff Administrator
Denice Thomas, AICP, Planning Programs Section Manager	Planning MHRRB Program Manager
Dave Ward, AICP	Planning Director

Past MHPRRB Members²

During the reporting period, Matt Winegar’s term ended on September 27, 2019, and he was not reappointed. There were no resignations during the reporting period.

Mobile Home Park Rent Control Program Applications

Section 81007 Discretionary Rent Increase Applications

During the reporting period, there was one Section 81007 Discretionary Rent Increase Application submitted to the MHPRRB by the Ojai Valley Estates Mobile Home Park. The MHRRB denied the Application on August 24, 2017, following a quasi-judicial hearing conducted pursuant to the Ordinance and applicable Guidelines. (See Table 2)

Section 81005 Annual Ministerial SSCOLA Rent Increase Applications

During the reporting period, 51 applications for a Section 81005 Annual Ministerial SSCOLA Rent Increase were received and processed by Staff affecting 22 mobile home parks. Some mobile home park owners did not apply for annual increases. In some cases, this is because they parks were not subject to the Ordinance (e.g.: when the mobile home park owner purchases the coaches and rents them out the leased coaches are no longer subject to rent control). In other cases, the mobile home park owner chose not to exercise their right to increase the rent collected. (See Table 2)

Pursuant to Section 81001 (Definitions) of the Ordinance, the SSCOLA rent adjustment is based on increases in the Consumer Price Index (CPI) for Urban Wage Earners and Clerical Workers (CPI-W), United States City Average, as determined by the United States Bureau of Labor Statistics, Department of Labor. The CPI is a measure of the average change in prices over time in a fixed market of goods and services. The annual CPI, as determined by the U.S. Bureau of Labor Statistics, ranged from 2.0% to 2.8% over the reporting period.

Pursuant to Section 81005(b) of the Ordinance, an Annual Ministerial SSCOLA space rent increase shall be determined to be the same as the SSCOLA (granted only for

² This list only represents those MHPRRB members who resigned during the reporting period.

levels between 2% and 8%)³ for the mobile home parks in the unincorporated area, as shown in Table 1 below. The minimum increase allowed by this type of rent increase is 2%.

Table 1 – SSCOLA

YEAR	PERCENTAGE
2017	2.00%
2018	2.00%
2019	2.80%

Service Reduction Applications

When a permanent or extended reduction in significant housing services occurs, either because services are permanently eliminated or not provided at all for an unreasonable length of time, without a corresponding decrease in space rent, an indirect rent increase occurs. It is the specific intent of the Ordinance to prohibit such indirect rent increases. In situations, such as these, a majority of the affected mobile home park tenants may petition the MHPRRB for a decrease in rent by means of a Service Reduction Application/Petition.

During the reporting period, there were no Service Reduction Application/Petitions submitted to the MHPRRB.

Utility Separation Applications

A mobile home park owner may elect to bill a mobile home park tenant separately for utility service fees and charges assessed by the utility services provided to or for spaces in the park. Under the Ordinance, separately billed utility fees and charges may not be included in the rent charged for a space that is rent controlled under the Ordinance. At the time the utility bills are separated from the rent, the base rent chargeable under the Ordinance is simultaneously reduced by an amount equal to the fees and charges separately billed. This reduction in space rent is considered the new base rent that the tenant must pay monthly, which does not include the charges and fees of the separately billed utility. The real cost of the separated utility (e.g.: water) then becomes the responsibility of the tenant. Fees and charges associated with the separated utility will be separately listed on a monthly or other periodic billing statement to the tenant. A Utility Separation Application must be submitted to, and approved by, the MHPRRB prior to the effective date of the utility separation. Utility services that apply to this section of the Ordinance are natural gas or liquid propane, electricity, water, cable television, garbage and refuse service, and sewer service.

³ Lowest is 2%; when the SSCOLA is greater than 8%, the maximum rent increase allowed is 8%.

Planning staff received no Utility Separation Applications during the reporting period.

Completely New Capital Improvement Rent Increase Applications

Space rent may not be increased to cover completely new capital improvements, as defined in Section 81001 of the Ordinance, unless written consent of a majority of affected spaces in the park is obtained prior to making the expenditure.

Planning staff received no Completely New Capital Improvement Rent Increase Applications during the reporting period.

Table 2 — Mobile Home Park Rent Control Program Applications Submitted

ACTIVITY	YEAR		
	2017	2018	2019
Annual Ministerial SSCOLA Rent Increase Applications	19	18	19
Utility Separation Applications	0	0	0
Service Reduction Applications	0	0	0
Completely New Capital Improvement Application	0	0	0
Discretionary Rent Increase Applications	1	0	0

MHPRRB Hearings

The MHPRRB hearings are held quarterly, on the fourth Wednesday of the month (February, May, August, and November) or as needed, at the Ventura County Government Center, Hall of Administration. A total of 12 MHPRRB hearings were held during the reporting period. (See Table 3, below.)

Table 3 — MHPRRB Meetings

ACTIVITY	YEAR		
	2017	2018	2019
Number of Hearings	5	3	4

Mobile Home Park Rent Control Ordinance Review

During the reporting period, no amendments to the Mobile Home Park Rent Control Ordinance have been adopted by the Board of Supervisors. However, during the reporting period three resolutions clarifying the ordinance were adopted (see Table 4)

Table 4 – Adopted Resolutions

Resolution Number	Resolution Description
RRB18-001	A resolution establishing amortization schedule for capital improvements subject to Sections 81006(a) and 81007 of the Ordinance (2/28/18)
RRB18-002	A resolution clarifying Section 81005(c) provision governing rent increases associated with sale of a coach. (2/28/18)
RRB18-003	A resolution outlining Public Hearing Procedures (5/23/18)

Program Administration Fee

Section 81008 of the Ordinance states, in pertinent part, “the Board of Supervisors finds that the County incurs certain costs administering this Ordinance. [...] The Board concludes that a fee that bears a reasonable relationship to the services provided is necessary.” Once every three years, the program administration fee is reviewed and adjusted to ensure the costs associated with program administration are recovered.

On July 1, 2017, the fee was changed from \$24.60 per space annually to \$24.35 per space annually. The methodology used to determine the fee is as follows:

- Through the use of billing data, the total number of hours associated with administering the program during the reporting period is determined;
- The total number of hours associated with administering the program is multiplied by the hourly staff time rate adopted by the Board of Supervisors (BOS) which provides the total cost for administering the program;
- Through the use of permitting data, the total number of spaces subject to rent control are determined;
- Through the use of billing data, the amount of staff hours spent administering the program for tenants and the hours spent administering the program for park owners is determined;
- The cost of administering the program is divided by the number of spaces subject to rent control to determine the three-year per space cost of administering the program. The three-year cost is divided by three to determine the annual cost per space;
- The percentage of cost for tenants and park owners is determined by dividing the number of hours attributed to each by the total number of hours staff used to administer the program; and

- To determine the cost per space for tenants and park owners, the annual per space price is multiplied by the percentages derived for tenants and park owners.

The annual program administration cost per space for the reporting period was \$24.41. The percentage of staff time devoted to tenants was 36% and the percentage of staff time devoted to park owners was 64%. This rate and these percentages will be presented to the BOS for inclusion in the Fee Schedule to be adopted by the BOS as part of the Fiscal Year 2020/2021 budget.

Decontrolled Spaces

Decontrol of a space occurs when a coach transfers ownership from one private tenant/owner to another private tenant/owner, excluding park-owned spaces transferred to private tenants/owners. At the time of decontrol, the park owner may increase the rent 15% of the average space rent in their park or \$72.00, whichever is less. Approximately 1,686 spaces have been decontrolled since December 1989. Table 5 below provides a summary of decontrolled spaces during the reporting period.

Table 5 – Decontrolled Spaces

YEAR	NUMBER OF DECONTROLLED SPACES
2017	42
2018	48
2019	32
TOTAL	122

Mobile Home Park Rent Ranges

Of the mobile home parks that requested a rent increase during the reporting period, the Ventura Oaks Mobile Home Park had the lowest rent range (\$216.06-\$749.14/month) with no decontrolled spaces. The Ojai Oaks Village had the highest rent range (\$739.73-\$1,343.36/month) with five decontrolled spaces during the reporting period.

Distribution of Mobile Home Parks Countywide

There are a total of approximately 1,342 spaces in the County’s 25 mobile home parks (Attachment A: Unincorporated Mobile Home Parks). The majority of the mobile home parks in unincorporated Ventura County (17 of 25) are located in Supervisorial District 1; the remaining seven mobile home parks are located in Districts 2, 3, and 5. District 4 has no mobile home parks subject to the Ventura County Rent Control Ordinance. Only the Oak Haven Mobile Home Park, located in District 1, is entirely exempt from the

Ordinance due to its date of construction having occurred after 1982 (Section 81002 (b) – Exemptions of Ordinance No. 4462).

Attachments

A. Unincorporated Mobile Home Parks