

701 Ocean Street, Fifth Floor, Room 510 Santa Cruz, CA 95060 (831) 454-2772 Fax (831) 454-2411 TTY/TDD: 711 commissions@santacruzcounty.us www.sccmmhc.org

Notice of Public Meeting and Agenda

DATE: Thursday, January 16, 2020

TIME: 9:30 AM to 11:00 AM

LOCATION: Simpkins Family Swim Center, 979 17th Avenue, Santa Cruz, CA 95062

ststAs a courtesy to those who are affected, kindly attend the meeting **scent-free** and **smoke-free**. stst

- 1. Call to Order/Roll Call/Agenda Review
- 2. Approve November 21, 2019 Meeting Minutes
- 3. Public Comment

Any person may address the Commission for a period not to exceed three minutes on matters within the jurisdiction of the Commission. The Commission will not take action but may choose to follow up at a subsequent meeting.

- 4. 2020 Census Participation Tory Del Favero, (US Census Bureau)
- 5. New Business/Action Items
 - 5.1. February 2020 HCD Fee and Tax Waiver Program Event
 - 5.2. Approve MMHC 2018-2019 Biennial Report
- 6. County Supervisor Report
- 7. Commissioner Reports
- 8. Central Coast Resident-Owned Parks Report
- 9. Legislative Report
- 10. County Counsel Report
- 11. Staff Report
- 12. Correspondence
- 13. Adjournment

Next Meeting Scheduled for: 9:30 to 11:00 AM on Thursday, March 19, 2020 at the Simpkins Family Swim Center, 979 17th Avenue, Santa Cruz, CA 95062

The County of Santa Cruz does not discriminate on the basis of disability, and no person shall, by reason of a disability, be denied the benefits of its services, programs or activities. The meeting location is an accessible facility. If you are a person with a disability and require assistance to participate in the meeting, please call (831) 454-2772 or TTY/TDD:711 at least 72 hours in advance to make arrangements.



701 Ocean Street, Fifth Floor, Room 510, Santa Cruz, CA 95060 P: (831) 454-2772 F: (831) 454-2411 TTY/TDD: 711 commissions@santacruzcounty.us

MOBILE AND MANUFACTURED HOME COMMISSION MEETING MINUTES

DATE: November 21, 2019

LOCATION: Simpkins Family Swim Center, 979 17th Avenue, Santa Cruz, CA 95062

PRESENT: Jean Brocklebank (Vice Chair - 1st District), Henry Cleveland (Chair - 2nd District),

David Allenbaugh (3rdDistrict), Rick Halterman (5th District), Charlene Garza (WMA)

EXCUSED: Carol Lerno (GSMOL)

STAFF: Ryan Thompson (*County Counsel*), Kaite McGrew (*Commissions Coordinator*)
GUESTS: John Leopold (District 1 Supervisor), William Constantine, Esq., and 4 Community

Members

1. Call to Order/Roll Call/Agenda Review Meeting was convened at 9:30 AM.

2. Approve September 18, 2019 Meeting Minutes

Motion/Second: Halterman/Brocklebank

Motion passed unanimously.

- 3. Public Comment
- 4. CRLAF Bay Federal Mobile Home Park Closure Study William Constantine, Esq., reported on the results of the study which indicated that California mobile home park owners have been closing parks before filing for development permits in an effort to circumvent conversion requirements that protect affordable housing.
- 5. New Business/Action Items
 - 5.1. Proposed Mobile Home Park Closure Ordinance Review Commission reviewed proposed ordinance designed to protect affordable housing stock and mobile and manufactured homeowners in the event of a park closure. Officers and Staff will draft a letter of recommendation to the Board of Supervisors in support of the proposed ordinance.

Motion to authorize a recommendation letter in support of the proposed ordinance

Motion/Second: Brocklebank/Halterman

Ayes: Brocklebank, Cleveland, Allenbaugh and Halterman

Nays: Garza **Motion passed.**

6. County Supervisor Report

Leopold reported on a new family health care center in Live Oak providing affordable health care for low-income families, including a new Dientes facility.

7. Commissioner Reports

Brocklebank read the Jan Beautz Award Letter to former Commissioner Mardi Brick commending her for her contributions to the mobile and manufactured home community. The letter and award certificate will be presented to her in her home on November 23, 2019.

7.1. 5th District Report: No Report

7.2. 3rd District Report:

Allenbaugh reported that retaining wall improvements are ongoing, as well as solar panel installation and the addition of drought-resistant landscaping. The proposed development at the corner of Bay Street and Westcliff Drive is still being contested.

7.3. Western Manufactured Housing Communities Association (WMA) Report:

Garza distributed a summary of 2020 industry legislation. WMA is working with a new lender for mobile home properties, Murphy Bank, to resolve supplemental property tax issues. WMA continues to work on proposed revisions for the Mobilehome Residency Law (MRLA).

7.4. Golden State Manufactured Homeowner's League (GSMOL) Report: No Report

7.5. 1st District Report

Brocklebank reported that the Pleasure Point petition hearing was decided in favor of the residents, although there may yet be an appeal.

7.6. 2nd District Report

Cleveland suggested that the Commission invite a representative from the Santa Cruz County Realtors Association to present on mobile home ownership transfers. The HCD's Mobile Home Registration Tax and Fee Waiver Program has been extended through December 2020 and Cleveland is coordinating a mobile registration event in early 2020. Garza reports that there have been changes to the program for 2020, including disallowing park owners from receiving amnesty when they purchase units in their parks.

8. Central Coast Resident-Owned Parks Report

Cleveland reported that Spring Lake has a project management firm redesigning their water system. The firm also handles reserves and maintenance manuals.

9. Legislative Report

Halterman reported on the following bills of interest to the mobile home community:

- AB-3066 implementation planning of continues. Policies are expected to be available for review on the website in early 2020.
- AB-1482 Statewide Rent Control Bill excludes mobile home parks.
- SB-50 "MORE Homes Act": Consideration of the two-year zoning bill has been postponed until 2020. The bill addresses the housing crisis by increasing density in cities and counties. The Board of Supervisors will be conducting study session in January to review new housing legislation that has passed committee. An environmental review is in progress and new data is expected. Leopold emphasized that greater density does not always indicate greater availability of affordable housing.

10. County Counsel Report:

Thompson reported on the following legal queries:

• Capital Improvement Pass-through Cost limits (13.32.030(D)(H): The aggregate amount of all pass-throughs cannot exceed 10% of the monthly rent unless agreed to by the residents of 50% plus 1 of the mobile home spaces. The cost pass-through of a single capital improvement cannot exceed 5% of the monthly rent unless agreed to by residents of 50% plus 1 of the mobile home spaces.

- Fair Rate of Return on Capital Improvements: The code states a 120-month amortization period but uses a 12-month amortization period in the sample calculations. County Counsel indicated that whether the park owner distributes the pass-through cost over a 12-month or a 120-month period, the amount collected by the end of the amortization period should be no more than 12% of the cost that was not passed through to residents. Thompson will review whether past fees charged erroneously can be recouped.
- 11. County Supervisor Report: No Report
- 12. Staff Report

Staff reported on the following items:

- The Space Fee recommendation was accepted by the Board of Supervisors.
- Additional detail on space fee fund expenditures will be distributed via email.
- A resident of Old Mill Mobile Home Park was referred to Senior Legal Services regarding a general rent increase which may not be using the correct base rent year.
- New EEO Officer, Mitsuno Baurmeister, started with the County on September 30th and will attend the January meeting.
- A new, abbreviated Commission URL (<u>www.sccmmhc.org</u>) was set up and business cards with QR codes were distributed to facilitate community outreach efforts.
- Two Hearing Officers have current contracts and a third is in the process of renewing. Staff is in communication with the CAO's office to address the matter.
- July 2020 meeting will be in a different Simpkins Community Room and the November 2020 meeting will be in a different ADA-accessible facility. The Sheriff's Community Room or the Capitola City Council Chambers are both being considered.
- 13. Correspondence: None
- 14. Adjournment

Meeting was adjourned at 10:45 AM.

Submitted by: Kaite McGrew, Commissions Coordinator



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Santa Cruz County Mobile and Manufactured Home Commission 2018 - 2019 Biennial Report

1. THE ROLE OF THE COMMISSION

The Mobile and Manufactured Home Commission is an advisory body to the Board of Supervisors on issues affecting the mobile and manufactured home community in Santa Cruz County. The Commission was established to:

- a. Study proposed State and Federal legislation relating to mobile home living, and make recommendations regarding such legislation to the Board of Supervisors;
- b. Assess the needs of persons living in mobile homes and make recommendations to the Board on matters under the Board's jurisdiction;
- c. Make recommendations to the Board of Supervisors no later than September 1st of each year pursuant to SCCC 13.32.092;
- d. Consider and advise the Board of Supervisors on other matters related to mobile home living;
- e. Hold meetings in mobile home parks within the County, to increase the ability of interested citizens to participate in the work of the Commission; and
- f. Accept public input on any matter within the jurisdiction of the Commission.

2. MEETINGS DATES, TIME, AND LOCATION

Mobile and Manufactured Home Commission meetings are scheduled for the third Thursday of every other month (January, March, May, July, September, and November), from 9:30 until 11:00 AM at the Simpkins Swim Center (979 17th Avenue, Santa Cruz, CA 95062).

No regularly scheduled meetings were canceled during the reporting period.

3. COMMISSION STRUCTURE

The Mobile and Manufactured Home Commission is composed of seven voting members; one appointed by each of the five County Supervisors to represent their districts, and two at-large seats representing the Golden State Manufactured Homeowner's League (GSMOL) and the Western Manufactured Home Communities Association (WMA) respectively. Elections for Commission Chair and Vice Chair are held each year during the May regular meeting.

On December 31, 2019, the Mobile and Manufactured Home Commission membership was as follows:

District	Commissioners
1 st District	Jean Brocklebank (Vice Chair)
2 nd District	Henry Cleveland (Chair)
3 rd District	David Allenbaugh
4 th District	Vacancy
5 th District	Rick Halterman
Golden State Manufactured	Carol A. Lerno
Homeowners League (GSMOL)	
Western Manufactured Home	Charlene Garza
Communities Association (WMA)	

No Commissioners resigned or were replaced during the reporting period. Commissioner Allenbaugh was reappointed to the Commission on March 26, 2019. No new Commissioners were appointed during the reporting period. Commissioner Del Franco's seat was vacated (as required in section three (3) of the Commission Bylaws), and the Fourth District has remained unrepresented since May 2018.

4. COMMISSION STAFF

The role of *Commissions Coordinator* experienced some turnover during the reporting period. Britt Harmssen, EEO Officer, temporarily staffed the Commission until the position could be filled. In July of 2018, Kaite McGrew was hired as *Commissions Coordinator* and has staffed the Commission for the remainder of the reporting period.

Between Commissions meetings, County Staff was available by phone, email, or in person for information and referrals. The County EEO Commissions Office is located in the County Government Center (701 Ocean Street, Room 510, Santa Cruz, CA 95060).

5. ATTENDANCE

Please see attached *Mobile and Manufactured Home Commission 2018-2019 Attendance*Report

6. COMMISSION ACTIVITIES AND ACCOMPLISHMENTS

The Commission's priorities and subsequent activities are determined by the Commission's mandate and emerging needs as expressed by the community and identified by the Commissioners.

During the reporting period, the Commission conducted the following business:

- Held twelve publicly noticed meetings at Simpkins Family Swim Center in District 1, where 43 of Santa Cruz County's 86 mobile home parks are located.
- Under the terms of Section 13.32.030(D)(3) of the Santa Cruz County Code, monitored the San Francisco-Oakland Consumer Price Index All Urban Consumers Category, and notified park owners of allowable space rent adjustments via first class mail and on the website.

- Reviewed space fee trust fund income and expenses, and, in 2018, recommended to the Board of Supervisors (via the *Unified Fee Schedule*) that the 2019 space fee be increased from \$26/space per year to \$38/space per year. In 2019, recommended to the Board of Supervisors that the 2020 space fee remain at \$38/space per year. Deposits from fees collected during the reporting period amounted to \$52,650 in 2018 and \$76,494 in 2019.
- Recommended to the Board of Supervisors that the reasonable rate of return for qualified capital improvements remains at 12% for calendar year 2019 and 2020 respectively.
- Recommended to the Board of Supervisors that they amend Title 13 of the Santa Cruz
 County Code by adding the proposed *Chapter 13.31, Mobile Home Park Closure Ordinance.*The proposed legislation would protect mobile and manufactured home residents from park
 closures and preserve affordable housing stock in Santa Cruz County
- Heard concerns from members of the public about issues specific to their parks and consulted individually, in person and on the phone, as appropriate.
- Maintained a website with resources of interest to the mobile and manufactured home community. In 2018, added a map identifying every park in the County and updated the park contact lists. In 2019, obtained an abbreviated domain name (www.sccmmhc.org) to facilitate sharing website resources with the community.
- Re-elected Chair Cleveland and Vice Chair Brocklebank in both 2018 and 2019.
- Updated bylaws to reflect changes in procedure, changes to Brown Act notice requirements, and added consistency of language as appropriate.
- Monitored a new contract with California Rural Legal Assistance (CRLA) to provide legal services to mobile and manufactured home park residents and subsequent contract renewals for both CRLA and Senior Legal Services.
- Attended meetings at mobile home parks in their Districts and other community meetings as appropriate. Commission Officers observed the Beachcomber Mobile Home Park Board of Directors election.
- Monitored local land developments and their impact on adjacent parks.
- Monitored local and trade press coverage of issues related to the mobile and manufactured home community.

During the reporting period, the Commission monitored the following litigation and disputes:

- Eight new referrals to legal service providers for legal consultation
- Resolution of an ongoing petition for a hearing on general rent adjustments at Alimur Park which was settled by the parties.
- Ongoing litigation in the Pinto Lakes lawsuit against the County challenging the rent stabilization Ordinance. The lawsuit was dismissed in 2018 and the decision is being appealed.
- Two new petitions for hearings filed, challenging general rent adjustments in *Forest Glen Mobile Home Park* and *Pleasure Point Mobile Home Park respectively*. The Forest Glen resident petition was dismissed by the Hearing Officer due to the residents' failure to make a good faith effort to meet and confer with park management before filing the petition. The Pleasure Point petition was heard by Hearing Officer Bryan Hackett, who ruled in favor of the

- park residents due to park management's failure to make a good faith effort to meet and confer with park residents.
- The potential impact of a Superior Court ruling (Bernosky v. Equity Lifestyles Properties (ELP)) setting aside the arbitration requirement for individual lease agreements on park residents who have arbitration requirements in their leases but wish to use legal services provided by AB 3066.

<u>During the reporting period, the Commission monitored the following State and local legislation impacting the mobile and manufactured home community:</u>

- Permitting jurisdiction for mixed-use buildings in mobile home parks.
- Mobile home transport and installation permitting requirements and enforcing agencies.
- Clarification of SCCC Chapter 13.32 related to fair rate of return calculations on qualified capital improvements.
- Application of SCCC Chapter 13.34, Temporary Rentals of Mobile Homes (relative to the Mobilehome Residency Law) and market rate rental of sublet mobile homes.
- Implementation of the Mobile Home Park Resident Ownership Proposition (MPROP): a \$40M fund to loan approved mobile and manufactured home residents money to purchase their parks and become resident-owned parks.
- AB 3066: State legislation establishing the *Mobile Home Dispute Resolution Fund* administered by HCD to enforce the Mobilehome Residency Law.
- New reporting requirements for mobile home parks subject to the Davis-Stirling Act.
- Western Mobilehome Communities Association (WMA) efforts to amend the Mobilehome Residency Law in order to allow park management to better screen applicants.

<u>During the reporting period, the Commission monitored the following utilities, services and programs impacting the mobile and manufactured home community:</u>

- PG&E mobile home park utility upgrades to remove legacy systems and improve energy delivery at several parks.
- Readiness-to-Serve fees and water districts for mobile home park water sources.
- Expansion of local high-speed broadband services into under-utilized areas, including several mobile home parks.
- Termination of Comcast right-of-access fee payments to mobile and manufactured home parks.
- California Public Utility Commission consideration of a plan to provide electricity only (instead of both natural gas and electricity) to mobile home parks.
- Solar power as a means of revenue in resident-owned parks.
- Park-wide water and sewer system replacements and capital improvement pass-through limits.
- County Adult Protective Services interventions and presentations in mobile home parks.
- Issues related to lenders in mobile and manufactured home property sales.

- Frank J. Evans Charitable Foundation college scholarships awarded to students who live in mobile home parks.
- Implementation of the California Department of Housing and Community Development (HCD) Mobilehome Registration Fee and Tax Waiver Program and California Association of County Treasurers and Tax Collectors (CACTTC) opposition to it.
- HCD Mobilehome Earthquake & Tsunami Preparedness community education.

<u>During the reporting period, the Commission heard reports from the following community</u> partners:

- In 2018, *Director Jenny Panetta (Santa Cruz County Housing Authority)* reported on changes to Section 8 voucher and home ownership programs which benefit the mobile and manufactured home community
- In 2019, Deputy Executive Director Mark Failor (Santa Cruz County Housing Authority)
 clarified the Housing Authority process to ensure that subsidized mobilehome rents align
 with State and County rent stabilization requirements
- Attorney William Constantine reported on findings from the CRLAF-Bay Federal Mobile Home Park Closure Study
- Chair Cleveland and Commissioner Lerno reported on Golden State Manufactured Home Owner League (GSMOL) activities and events
- Chair Cleveland reported on Central Coast Resident-Owned Parks activities and events
- Megan Rhodes (Vice President and Chief Lending Officer for Bay Federal Credit Union)
 reported on R-MH Title 14 proposed amendments protecting mobile home park zoning in
 the Watsonville
- Britt Harmssen, County EEO Officer, reported on the Santa Cruz County Operational Plan and strategies and objectives of interest to the mobile and manufactured home community.

During the reporting period, the Commission participated in the following special projects:

- Presented a letter declaring Mark Stone "MMHC Legislator of the Year" for his efforts in securing the passage of Assembly Bill 3066 which benefits mobile and manufactured home communities throughout the state.
- Initiated the first annual Jan Beautz Award recognizing former Commissioner Mardi Brick for her outstanding service and significant contributions to the mobile and manufactured home community.

7. FUTURE GOALS AND RECOMMENDATIONS

In 2020-2021, the Mobile and Manufactured Home Commission will endeavor to:

- Monitor issues impacting the Santa Cruz County mobile and manufactured home community and make recommendations to the Board of Supervisors as needed.
- Monitor State and local legislation that impacts the mobile and manufactured home community and make recommendations to the Board of Supervisors as needed.
- Monitor and advocate for affordable housing stock in mobile and manufactured home parks.

- Promote public attendance and participation at Mobile and Manufactured Home Commission meetings.
- Promote awareness of the Commission in the mobile and manufactured home community through community outreach, provision of resources, and holding meetings in mobile home parks throughout the County as appropriate.
- Promote awareness of the Commission through promotion of and participation in special events of interest to the mobile and manufactured home community (e.g. presentation of an annual *Jan Beautz Award*, or HCD mobile office events.)

<u>In 2020-2021, the Mobile and Manufactured Home Commission recommends that the Board of Supervisors take the following actions:</u>

- Continue to recruit for a Commissioner to represent the Fourth District
- Continue to provide local policy leadership to foster and sustain affordable housing stock in mobile and manufactured home parks.
- Continue to support legislation upholding rent control in Santa Cruz County mobile and manufactured home parks.
- If necessary, pursue litigation to defend local ordinances that protect affordable housing stock in mobile and manufactured home park.

Approved by the <i>Mobile and Manufactured Home Commission</i> at the January 16, 2020 regular meeting.
Respectfully submitted on behalf of the Santa Cruz County Mobile and Manufactured Home

Henry Cleveland Date

Commission Chair

Mobile and Manufactured Home Commission

MOBILE AND MANUFACTURED HOME COMMISSION							
2018 ATTENDANCE REPORT							
District/Supervisor	Commissioner	Jan 2018	Mar 2018	May 2018	July 2018	Sept 2018	Nov 2018
1 st District Supervisor John Leopold	Jean Brocklebank Vice Chair	Р	Р	Р	Р	Р	Р
2nd District Supervisor Zach Friend	Henry Cleveland Chair	E	Р	Р	Р	Р	Р
3rd District Supervisor Ryan Coonerty	David Allenbaugh	Α	Р	E	Р	E	Р
4th District Supervisor Greg Caput	Brianna Del Franco	А	А	А	-	-	-
5th District Supervisor Bruce McPherson	Rick Halterman	Р	Р	Р	Р	Р	Е
Golden State Manufactured Homeowners League	Carol A. Lerno	Р	А	Р	E	E	Р
Western Manufactured Housing Communities Association	Charlene Garza	Р	E	Р	E	Р	Е
Attendance: P=Present A=	=Absent E =Excuse	ed	V =Vacan	ісу	(-)= Not	Seated	
	2019 ATTENDAN	ICE REP	ORT				
District/Supervisor	Commissioner	Jan 2019	Mar 2019	May 2019	July 2019	Sept 2019	Nov 2019
1 st District Supervisor John Leopold	Jean Brocklebank Vice Chair	Р	Р	Р	Р	Р	Р
2nd District Supervisor Zach Friend	Henry Cleveland Chair	Р	Р	Р	Р	Р	Р
3rd District Supervisor Ryan Coonerty	David Allenbaugh	Р	Р	Р	E	Р	Р
4th District Supervisor Greg Caput	Vacancy	-	-	-	-	-	-
5th District Supervisor Bruce McPherson	Rick Halterman	Р	Р	Р	Р	Р	Р
Golden State Manufactured Homeowners League	Carol A. Lerno	Р	Р	Р	Р	Р	Е
Western Manufactured Housing Communities Association	Charlene Garza	Р	Р	Р	E	E	Р



701 Ocean Street, Fifth Floor, Room 510 Santa Cruz, CA 95060 (831) 454-2772 Fax (831) 454-2411 TTY/TDD: 711

commissions@santacruzcounty.us

November 25, 2019

www.sccmmhc.org

Santa Cruz County Board of Supervisors 701 Ocean Street, Room 500 Santa Cruz, CA 95060

Re: Letter of Recommendation regarding Proposed Santa Cruz County Code *Chapter 13.31*Mobile Home Park Closure Ordinance

Dear Members of the Board,

The Manufactured and Mobile Home Commission supports the proposed Santa Cruz County Code ("SCCC") Chapter, 13.31 Mobile Home Park Closure Ordinance. This ordinance will, further safeguard local affordable housing stock by implementing regulatory requirements for mobile home park closures.

Santa Cruz County's mobile home park conversion ordinance, *SCCC Chapter 13.30, Mobile Home Park Conversions*, was implemented in 1980 in compliance with California Government Code sections 65863.7 and 66427.4, and California Civil Code section 798.56(g). This allowed the County to regulate the conversion of mobile home parks to other uses.

In 1985, the State Legislature amended California Government Code section 65863.7 to include regulations for park closures. This eliminated the opportunity for park owners to circumvent provisions designed to safeguard affordable housing. Before this legislation, park owners could simply close their parks for a period of time and then submit an application for different development.

While the State addressed the park closure loophole in 1985, the County did not. Currently, no local regulations exist to eliminate the ability for local mobile home park owners to take advantage of the park closure loophole. The proposed ordinance would prevent that by implementing regulatory requirements for park closures and further safeguarding affordable housing stock in Santa Cruz County.

The Commission recommends that the Board of Supervisors amend Title 13 of the Santa Cruz County Code by adding the proposed *Chapter 13.31, Mobile Home Park Closure Ordinance,* thereto, effective January 2020.

Respectfully submitted,

Henry Cleveland

Henry Cleveland.

Commission Chair on behalf of the Santa Cruz County Mobile and Manufactured Home Commission

SIERRA LAKE RESERVE v. CITY OF ROCKLIN

No. 89-15371.

938 F.2d 951 (1991)

SIERRA LAKE RESERVE, Plaintiff-Appellant, v. The CITY OF ROCKLIN; the Rocklin Mobile Home Rent Review Commission; Carlos Urrutia; Rusty Selix; Rudolf Michaels; George Paras, Defendants-Appellees.

United States Court of Appeals, Ninth Circuit.

Argued and Submitted August 15, 1990.

Decided July 9, 1991.

Attorney(s) appearing for the Case

William H. Plageman, Jr., and Anthony C. Rodriguez, Thelen, Marrin, Johnson & Bridges, Oakland, Cal., for plaintiff-appellant.

Michelle Marchetta Kenyon, McDonough, Holland & Allen, Sacramento, Cal., for defendantsappellees.

Before GOODWIN, KOZINSKI and NOONAN, Circuit Judges.

KOZINSKI, Circuit Judge.

Sierra Lake, a mobile home park owner, alleges that the City of Rocklin's rent control ordinances had effected a taking of its property without just compensation; plaintiff also complains of due

process and equal protection violations in connection with the passage and implementation of the ordinances.

We consider whether plaintiff's taking claim is ripe for adjudication in federal court despite its failure to exhaust state judicial remedies and whether the district court properly dismissed Sierra Lake's procedural due process and equal protection claims. We also consider whether plaintiff adequately pleaded a substantive due process claim and, if so, whether it was properly dismissed without leave to amend.

Facts

Sierra Lake bought a mobile home park in the City of Rocklin in late 1978, at a time when no rent control was in effect. On September 1, 1979, Sierra Lake raised its rents to cover the cost of improvements. On November 5, the City imposed rent control on Rocklin mobile home parks and set all rents at their July 1979 level — effectively cancelling Sierra Lake's September rent increase.

Sierra Lake continued to make capital improvements and, on October 16, 1984, applied for a rent increase under Ordinance No. 472, the rent control ordinance then in effect. The Rocklin City Manager rejected the application and advised Sierra Lake to refile under a new rent control ordinance, soon to be enacted.

On April 1, 1985, the City replaced Ordinance No. 472 with Ordinance No. 529. Whereas previous ordinances provided that mobile home park owners could recover all capital expenditures, the new ordinance limited recovery to *reasonable* expenditures. Expenditures on work completed within the last twelve months were presumed to be reasonable; previously incurred expenditures were subject to review for reasonableness. On August 30, 1985,

[938 F.2d 954]

Sierra Lake refiled its rent increase application under the new ordinance. The City Manager rejected this application because Sierra Lake had not indicated the place of execution. The City Manager refused to allow Sierra Lake to cure the defect, even though the application form contained no blank space for indicating the place of execution.

Sierra Lake refiled the application on September 30. The City Manager accepted this application and referred it to mediation. The rent increase finally became effective on December 1, 1985.

Sierra Lake filed suit in district court on September 23, 1987, alleging due process and equal protection violations. In addition, the complaint alleged that the vacancy control provision common to all the City's rent control ordinances effected a taking for which just compensation was due. This provision limited the amount by which Sierra Lake could increase the rent following a vacancy at the park. According to Sierra Lake, this transferred an interest in the rented premises from landlord to tenant, an interest that departing tenants were able to monetize by selling their mobile homes at a premium. The district court granted defendants' motion under Fed.R.Civ.P. 12(b)(6), dismissing all of Sierra Lake's claims without leave to amend.

Discussion

We review the district court's dismissal of plaintiff's claims de novo. We take all material allegations of the non-moving party as true and construe them in the light most favorable to that party. "In this type of action, where the property owner contends that it has been unconstitutionally deprived of property through governmental regulation, motions to dismiss and motions for summary judgment must be viewed with particular skepticism. The importance of the specific facts and circumstances relating to the property and the facts and circumstances relating to the governmental action militate against summary resolution in most cases." *Del Monte Dunes at Monterey, Ltd. v. City of Monterey,* 920 F.2d 1496, 1508 (9th Cir.1990) (citation omitted).

I. Takings Claim

Plaintiff claims that the rent control ordinance resulted in an unconstitutional taking of its property. The facts of this case are almost identical to those of *Hall v. City of Santa Barbara*, 833 F.2d 1270 (9th Cir.1987), *cert. denied*, 485 U.S. 940, 108 S.Ct. 1120, 99 L.Ed.2d 281 (1988). In *Hall*, we found that a physical taking could result where "the tenant is able to derive an economic benefit from the statutory leasehold by capturing a rent control premium when he sells his mobile home." *Id.* at 1276. Here, as in *Hall*, the plaintiff alleges that a rent control ordinance has operated to transfer a valuable possessory interest in the property from the landlord to the tenant, and the tenant is able to capture a premium to which the landlord would otherwise be entitled.

While recognizing that the complaint stated a takings claim under Ninth Circuit law, the district court found the claim unripe under *Williamson County Planning Commission v. Hamilton Bank*, 473 U.S. 172, 105 S.Ct. 3108, 87 L.Ed.2d 126 (1985). In *Williamson*, the United States Supreme Court held that a takings claim cannot be presented in federal court if the state courts are

available to provide compensation: "[I]f a State provides an adequate procedure for seeking just compensation, the property owner cannot claim a violation of the Just Compensation Clause until it has used the procedure and been denied just compensation." *Id.* at 195, 105 S.Ct. at

[938 F.2d 955]

3121. Interpreting *Williamson*, we have held that if state law was "unclear or undeveloped" at the time of the alleged taking, plaintiff must first try to recover in state court. *Austin v. City and County of Honolulu*, 840 F.2d 678, 680 (9th Cir.), *cert. denied*, 488 U.S. 852, 109 S.Ct. 136, 102 L.Ed.2d 109 (1988). Thus, unless plaintiff can show that "the state courts establish that landowners may not obtain just compensation through an inverse condemnation action under any circumstances, [California] procedures are adequate within the terms of *Williamson County*." *Id.* at 681.

At the time of the alleged taking, California state courts consistently took a dim view of takings claims based on rent control ordinances. See, e.g., Fisher v. City of Berkeley, 37 Cal.3d 644, 693 P.2d 261, 209 Cal.Rptr. 682 (1984), aff'd, 475 U.S. 260, 106 S.Ct. 1045, 89 L.Ed.2d 206 (1986); Nash v. City of Santa Monica, 37 Cal.3d 97, 688 P.2d 894, 207 Cal.Rptr. 285 (1984), appeal dismissed, 470 U.S. 1046, 105 S.Ct. 1740, 84 L.Ed.2d 807 (1985); Birkenfeld v. City of Berkeley, 17 Cal.3d 129, 550 P.2d 1001, 130 Cal.Rptr. 465 (1976). Even when they found a rent control ordinance unconstitutional, the remedy they granted was invalidation rather than compensation. See, e.g., Gregory v. City of San Juan Capistrano, 142 Cal.App.3d 72, 191 Cal.Rptr. 47 (1983).

More germane to our case, the state appellate courts have explicitly rejected compensation under the theory we adopted in *Hall*. In *Oceanside Mobilehome Park Owners' Ass'n v. City of Oceanside*, 157 Cal.App.3d 887, 204 Cal.Rptr. 239 (1984), a group of mobile home park owners challenged the vacancy control aspect of a rent control ordinance because it allowed tenants to sell their mobile homes at a premium. The court viewed the claim as a regulatory challenge and rejected it, stating that "[t]he ordinance is structured to establish a fair base rent which reflects general market conditions.... Rents will not be 'reduced more than required for the purposes of the police power." *Id.* at 907, 204 Cal.Rptr. 239.

Two recent state court opinions have refused to follow our decision in *Hall. Yee v. City of Escondido*, 224 Cal.App.3d 1349, 274 Cal.Rptr. 551 (1990); Casella v. City of Morgan Hill, 230 Cal.App.3d 43, 280 Cal.Rptr. 876 (1991). These courts considered physical takings challenges to mobile home rent control ordinances that were virtually identical to those

in *Oceanside* and *Hall*. In *Yee*, the court "reviewed the issue anew in light of *Hall*," and found "*Hall*'s reasoning unpersuasive and reaffirm[ed] the conclusion ... reached in *Oceanside*." *Yee*, 224 Cal.App.3d at 1351, 274 Cal.Rptr. 551. Similarly, the *Casella* court "repudiate[d] *Hall*'s attempt to bootstrap a mobile home rent control ordinance — an economic regulation — to the Supreme Court's 'very narrow' holding in *Loretto* [v. *Teleprompter Manhattan CATV Corp.*, 458 U.S. 419, 102 S.Ct. 3164, 73 L.Ed.2d 868 (1982)]." *Casella*, 230 Cal.App.3d 43, 52, 280 Cal.Rptr. 876. We accept *Oceanside*, *Yee* and *Casella* as correct statements of California law, there being no contrary authority. Thus, plaintiff does not rely on the "mere generalized hostility of the state courts to takings claims," *Schnuck v. City of Santa Monica*, 935 F.2d 171, 174 (9th Cir.1991), but instead on its demonstrated inability to "obtain just compensation through an inverse condemnation action under any circumstances." *Austin*, 840 F.2d at 681. The district court erred in dismissing plaintiff's takings claim.

[938 F.2d 956]

II. The Remaining Claims

Noting that "overlapping state remedies are generally irrelevant to the question of the existence of a cause of action under § 1983," Zinermon v. Burch, 494 U.S. 113, 122, 110 S.Ct. 975, 982, 108 L.Ed.2d 100 (1990), the Supreme Court divided the universe of section 1983 claims into three categories. The first consists of claims under an express constitutional provision that by its terms prohibits some state action. In such cases, the violation occurs and becomes actionable at the time of injury. Id., 110 S.Ct. at 983. The second category consists of claims under the "substantive component [of the Due Process Clause] that bars certain arbitrary, wrongful government actions 'regardless of the fairness of the procedures used to implement them." Id. (quoting Daniels v. Williams, 474 U.S. 327, 106 S.Ct. 662, 88 L.Ed.2d 662 (1986)). Substantive due process claims, like claims for violations of express constitutional provisions, arise at the time of the violation; a plaintiff "may invoke § 1983 regardless of any state-tort remedy that might be available to compensate him for the deprivation of these rights." Id.; see also Shah v. County of Los Angeles, 797 F.2d 743 (9th Cir.1986). We discuss plaintiff's substantive due process claims at pp. 957-58 infra. The final category consists of procedural due process claims. In these cases, the violation does not occur and is therefore not actionable "unless and until the State fails to provide due process." Zinermon, 494 U.S. at 122, 110 S.Ct. at 983. We discuss plaintiff's procedural due process claims immediately below.

A. Procedural Due Process

A claim for violation of procedural due process has two components. First, plaintiff must show that a protected property interest was taken. Second, it must show that the procedural safeguards surrounding the deprivation were inadequate. *See Board of Regents v. Roth*, 408 U.S. 564, 568-69, 92 S.Ct. 2701, 2704-05, 33 L.Ed.2d 548 (1972).

Plaintiff first claims a property interest in the rent increases allowable under the predecessors to Ordinance 529 on account of expenditures made for capital improvements to the rent controlled property. As noted, prior to Ordinance 529 all expenditures on capital improvements could be recovered through rent increases, whereas under Ordinance 529 expenditures on work completed more than 12 months prior to the application have to be adjudged reasonable by mediators, subject to review by arbitrators. Plaintiff claims that it incurred a variety of expenditures in reliance on prior law, and that its property interest was diminished or impaired when the law was changed retroactively so as to deny it rent increases justified by expenditures already incurred. Under this theory, the deprivation resulted from the action of the City in passing Ordinance 529 and making it retroactive.

Second, plaintiff claims that even if it had no vested property rights at the time it spent the money for capital improvements, such rights vested when Sierra Lake attempted to file its application for a rent increase, before Ordinance 529 went into effect. Plaintiff claims its application was wrongfully rejected by the City Manager who told Sierra Lake to refile after the new ordinance went into effect. Under this second scenario it was the action of the City Manager in wrongfully rejecting the rent increase application, and his directive that the application not be refiled until the new law was passed, that caused the alleged deprivation.

Finally, Sierra Lake claims a property interest in one-month's cost-of-living rent increase under Ordinance 529. According to Sierra Lake, it presented a properly filled out application under Ordinance 529 on August 30, 1985, but the City Manager rejected it for arbitrary and insubstantial reasons. See note 2 supra. The rejection, according to Sierra Lake, resulted in a one-month

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delay in the approval of the rent increase, costing it a month's higher rent to which it was otherwise entitled.

As to plaintiff's first theory, it simply fails to state a claim for procedural due process. Even assuming that plaintiff had a vested interest in the rent increases allowed by prior law, it received all the process due it when the City's elected officials discharged their legislative responsibilities in the manner prescribed by law. While plaintiff may challenge legislative action on substantive

grounds or demand compensation if the action amounts to a taking, it may not raise a procedural due process challenge to such action. When the action complained of is legislative in nature, due process is satisfied when the legislative body performs its responsibilities in the normal manner prescribed by law.

Plaintiff's second and third theories, although involving different alleged property interests, both hinge upon a claim that the City Manager treated plaintiff's application wrongfully and arbitrarily, depriving it of a property right that had vested under state law. Such allegations can amount to a claim for denial of procedural due process. See Sinaloa Lake Owners Ass'n v. City of Simi Valley, 882 F.2d 1398, 1405-06 (1989), cert. denied, ___ U.S. ___, 110 S.Ct. 1317, 108 L.Ed.2d 493 (1990). Whether such a claim is barred by Parratt v. Taylor, 451 U.S. 527, 101 S.Ct. 1908, 68 L.Ed.2d 420 (1981), is unclear after Zinermon. Parratt held that a plaintiff must first pursue state remedies when bringing a claim for violation of procedural due process based on random, unauthorized acts of state officials; Zinermon appears to allow federal claims in similar situations by focusing on the authority and function of the state official in question. Two of our sister circuits have taken conflicting views on the subject, in each case raising strong dissents. See Caine v. Hardy, 905 F.2d 858 (5th Cir.1990); id. at 863 (Jones, J., dissenting); Easter House v. Felder, 910 F.2d 1387 (7th Cir.1990) (en banc), cert. denied, ___ U.S. ___, 111 S.Ct. 783, 112 L.Ed.2d 846 (1990); id. at 1408 (Easterbrook, J., concurring); id. at 1410 (Cudahy, J., joined by Cummings and Posner, JJ., dissenting). We need not enter the fray at this time because plaintiff's claims about the City Manager's action can equally well be stated as substantive due process claims. Where, as here, the plaintiff alleges that the denial of due process consists of an official's arbitrary action, a claim for violation of substantive due process is indistinguishable from a claim for violation of procedural due process. Because the Supreme Court held in Zinermon that substantive due process claims are not subject to diversion to state court under Parratt, see 110 S.Ct. at 983, we need not consider whether the procedural due process claims, standing alone, would have to be so diverted.

B. Substantive Due Process

As noted, Sierra Lake's procedural due process claims can also be stated as substantive due process claims. While a substantive due process claim may arise out of the same facts as a procedural due process claim, the claims are different in several important respects. Whereas a procedural due process claim challenges the procedures used in effecting a deprivation, a substantive due process claim challenges the governmental action itself. Because the harm of a substantive due process violation occurs at the time of the wrongful government action, plaintiff's section 1983 action

arises when the wrongful action is taken. *Zinermon*, 110 S.Ct. at 983. *Parratt*'s requirement that plaintiff avail itself of state tort remedies does not apply to substantive due process claims. *Id*.

To establish a violation of substantive due process, Sierra Lake "must prove that the government's action was 'clearly arbitrary and unreasonable, having no substantial relation to the public health, safety, morals, or general welfare." *Sinaloa*

[938 F.2d 958]

Lake Owners, 882 F.2d at 1407 (quoting Village of Euclid v. Ambler Realty Co., 272 U.S. 365, 395, 47 S.Ct. 114, 121, 71 L.Ed. 303 (1926)); see also Bateson v. Geisse, 857 F.2d 1300, 1303 (9th Cir.1988).

According to the allegations of the complaint, the City and its officials obstructed Sierra Lake's rent increase applications at almost every turn, and then finally allowed an increase that was still less than what Sierra Lake considers adequate. It is well within the realm of possibility that plaintiff could establish that the City's actions in processing the applications were wrongful or arbitrary. Given that plaintiff could state a substantive due process claim, the district court erred in dismissing without leave to amend. *Hall*, 833 F.2d at 1274 n. 6; *see also McCalden v. California Library Ass'n*, 919 F.2d 538, 546-47 (9th Cir.1990).

Sierra Lake may also have a substantive due process claim to the extent it complains that Ordinance 529 deprived it of a "fair and reasonable" return on its investment by denying it rent increases on account of capital improvements made prior to its enactment and by limiting the amount it may recover on account of later-made improvements. *See Guaranty National Insurance Co. v. Gates*, 916 F.2d 508, 512-14 & n. 4 (9th Cir.1990).

Under *Guaranty National*, every dollar the landlord puts into the property by way of capital improvements constitutes an investment in the property for which a "fair and reasonable" return must be allowed. Breaking even is not enough; the law must provide for a profit on one's investment. *Id.* at p. 515. Thus, Ordinance 529 must do more than simply allow plaintiff to pass through certain costs; it must ensure that plaintiff will receive a reasonable return on those expenditures. To the extent plaintiff alleges that the rent increases allowed on account of capital improvements merely offset the cost of those improvements (or less), it has stated a claim for a violation of substantive due process under *Guaranty National*.

Sierra Lake also alleges a substantive due process violation based on the enactment of the vacancy control provision of the ordinance, *see* pp. 953-54 *supra*. To prevail on this claim, Sierra Lake

must show that no rational relationship exists between the vacancy control provision and the purpose of the ordinance. *See Boone v. Redevelopment Agency of City of San Jose*, 841 F.2d 886, 892 (9th Cir.), *cert. denied*, 488 U.S. 965, 109 S.Ct. 489, 102 L.Ed.2d 526 (1988). Sierra Lake cannot meet this heavy burden. Although it may be true that the ordinance in some cases takes money from the landlord and puts it into the pocket of a tenant who no longer resides at the park, the City Council could reasonably believe that in the majority of cases the ordinance serves the valid public purpose of keeping mobile home rent from becoming prohibitively high. *See*, *e.g.*, *Pennell v. City of San Jose*, 485 U.S. 1, 13, 108 S.Ct. 849, 858, 99 L.Ed.2d 1 (1988). How well the ordinance serves this purpose is a legislative question, one the court will not consider.

C. Equal Protection Claims

Sierra Lake also alleges that it was denied equal protection of the laws. Plaintiff can establish an equal protection claim by showing that the City of Rocklin or its officials applied the law in an arbitrary or invidiously discriminatory manner. Although equal protection challenges to state action that does not "trammel[] fundamental

[938 F.2d 959]

personal rights or implicate[] a suspect classification" receive only rational basis scrutiny, "the rational relation test will not sustain conduct by state officials that is malicious, irrational or plainly arbitrary." *Lockary v. Kayfetz*, 917 F.2d 1150, 1155 (9th Cir.1990); *see also Del Monte Dunes*, 920 F.2d at 1509 (citing *Nollan v. California Coastal Comm'n*, 483 U.S. 825, 835 & n. 4, 107 S.Ct. 3141, 3148 & n. 4, 97 L.Ed.2d 677 (1987)). In this context, plaintiff's equal protection claim is identical to its first substantive due process claim, and we reverse the district court for the same reason."

Conclusion

The district court's judgment is reversed. We remand for further proceedings consistent with this opinion.

GOODWIN, Circuit Judge, concurring.

Today we hold that the Rocklin rent control ordinance, as applied, results in a physical taking of private property. We reach this result because the law of the circuit is found in *Hall v. City of Santa Barbara*, 833 F.2d 1270 (9th Cir.1987), *cert. denied*, 485 U.S. 940, 108 S.Ct. 1120, 99 L.Ed.2d 281 (1988).

I concur under the compulsion of precedent, but for the record I want to note that I have not forgotten the difference between the physical and the metaphysical. Hall reached a commendable legislative result by calling a regulatory ordinance a physical taking. I am in somewhat the same position as I found myself upon first reading Roe v. Wade, 410 U.S. 113, 93 S.Ct. 705, 35 L.Ed.2d 147 (1973), applauding the result but disturbed by the method. Nonetheless, stare decisis is a proven policy, and I concur.

FootNotes

- 1. Sierra Lake alleges that the rejection was "wrongful[]." CR 1, Complaint at 4.
- 2. Sierra Lake alleges that the City Manager also rejected the application on "non-statutory grounds ... unilaterally and arbitrarily imposed by the city manager himself." Brief for Appellant at 7.
- 3. Despite their name, mobile homes are not all that mobile. Thus, when a tenant sells his mobile home, the home remains on the rent-controlled space, resulting in a higher price to the buyer than a home on a space not subject to rent control. See Hall v. City of Santa Barbara, 833 F.2d 1270, 1273-74 (9th Cir.1987), cert. denied, 485 U.S. 940, 108 S.Ct. 1120, 99 L.Ed.2d 281 (1988).
- 4. The Supreme Court has since held that compensation is required for losses incurred while an invalid regulation was in effect. See First English Evangelical Lutheran Church v. County of Los Angeles, 482 U.S. 304, 318-19, 107 S.Ct. 2378, 2387-88, 96 L.Ed.2d 250 (1987). The relevant date for an inquiry as to the status of the state law, however, is the time of the taking. See Williamson, 473 U.S. at 194, 105 S.Ct. at 3120; Del Monte Dunes, 920 F.2d at 1507 (holding ripe a claim for a pre-1987 taking because prior to First English, "California law did not permit landowners to seek compensation for a regulatory taking through an action in inverse condemnation").
- 5. Contrary to the suggestion in the concurrence, the substantive issue decided in Hall v. City of Santa Barbara is not before us. We note, however, that the only other circuit to address this issue reached the same result after interpreting the same Supreme Court cases as we did in Hall. See Pinewood Estates v. Barnegat Township Leveling Bd., 898 F.2d 347, 353-54 (3d Cir.1990). 6. Ordinance 529 exempts from review cost-of-living rent increases based on a formula derived
- from the California Consumer Price Index.
- 7. We need not consider here whether a claim of major corruption of the legislative process such as the acceptance of bribes by one or more of the legislators — would give rise to a procedural due process claim.

- 8. On remand, the district court will have to determine whether the initial rent increase application was valid. If the initial rent increase application was not valid, then there was no deprivation, and therefore Sierra Lake would be entitled only to nominal damages. *See Zinermon*, 110 S.Ct. at 983.
- 9. Sections 2.46.200A & B of Ordinance 529 could be construed to permit only a passing through of costs without allowance for a reasonable profit. On remand, the district court should determine whether Ordinance 529 in fact allows a reasonable return on investment.
- 10. The principle of "fair and reasonable return on investment" may support a takings claim as well as a substantive due process claim. *See Mountain Water Co. v. Montana Dep't of Public Serv. Regulation*, 919 F.2d 593, 600 (9th Cir.1990) (citing *Duquesne Light Co. v. Barasch*, 488 U.S. 299, 109 S.Ct. 609, 102 L.Ed.2d 646 (1989)).
- 11. To the extent Sierra Lake raises an equal protection challenge to the enactment of Ordinance 529, such a challenge could succeed only if the ordinance served "no legitimate governmental purpose and if impermissible animus toward an unpopular group prompted the statute's enactment." *Mountain Water Co.*, 919 F.2d at 598 (citing *USDA v. Moreno*, 413 U.S. 528, 93 S.Ct. 2821, 37 L.Ed.2d 782 (1973)). Thus, if the district court on remand were to find that the enactment of Ordinance 529 reflected hostility toward landlords as a group, it would be obligated to analyze the statute for legitimacy, as opposed to mere rationality.



701 Ocean Street, Fifth Floor, Room 510 Santa Cruz, CA 95060 (831) 454-2772 Fax (831) 454-2411 TTY/TDD: 711 commissions@santacruzcounty.us www.sccmmhc.org

Scheduled Meetings

Unless otherwise specified, regularly scheduled Mobile and Manufactured Home Commission meetings are generally held as follows:

DAY: Third (3rd) Thursday

MONTH: Every other month (January, March, May, July, September, and November)

TIME: 9:30 AM – 11:00 AM

LOCATION: Simpkins Family Swim Center**

979 17th Avenue, Santa Cruz, CA 95062

Changes to the schedule, including special meetings, changes of location, or meeting cancellations, will be listed on the website at www.sccmmhc.org as soon as the information becomes available. Agendas will be posted 72 hours in advance of each meeting.

2020 MEETING DATES					
DATE	TIME	LOCATION			
January 16, 2020	9:30 – 11:00 AM	Simpkins Swim Center**			
March 19, 2020	9:30 – 11:00 AM	Simpkins Swim Center**			
May 21, 2020	9:30 – 11:00 AM	Simpkins Swim Center**			
July 16, 2020	9:30 – 11:00 AM	Simpkins Swim Center**			
September 17, 2020	9:30 – 11:00 AM	Simpkins Swim Center**			
November 19, 2020	9:30 – 11:00 AM	To Be Determined			



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Notice of Public Meeting Cancelation

THE SANTA CRUZ COUNTY

MOBILE AND MANUFACTURED HOME COMMISSION

REGULAR MEETING SCHEDULED FOR:

MARCH 19, 2020

HAS BEEN CANCELED FOR

HEALTH AND SAFETY REASONS.

THE NEXT REGULARLY SCHEDULED MEETING IS:

Date: Thursday, May 21, 2020

Time: 9:30 – 11:00 AM

Location: Simpkins Swim Center

979 17th Avenue

Santa Cruz, CA 95062



701 Ocean Street, Fifth Floor, Room 510 Santa Cruz, CA 95060

(831) 454-2772 Fax (831) 454-2411 TTY/TDD: 711

commissions@santacruzcounty.us

www.sccmmhc.org

Notice of Public Meeting and Agenda

THIS MEETING WILL BE HELD VIA TELECONFERENCE FOR HEALTH AND SAFETY REASONS

DATE: Thursday, March 19, 2020 TIME: 9:30 AM to 11:00 AM

LOCATION: GoToMeeting Teleconference

Please join my meeting from your computer, tablet or smartphone.

https://global.gotomeeting.com/join/279631581

You can also dial in using your phone. United States (Toll Free): 1 877 309 2073

United States: <u>+1 (312) 757-3129</u> **Access Code: 279-631-581**

- 1. Call to Order/Roll Call/Agenda Review
- 2. Approve January 16, 2020 Meeting Minutes
- 3. Public Comment

Any person may address the Commission for a period not to exceed three minutes on matters within the jurisdiction of the Commission. The Commission will not take action but may choose to follow up at a subsequent meeting.

- 4. New Business/Action Items
 - 4.1. Review Pending Mobilehome Legislation
 - 4.1.1. SB-999 Local Rent Stabilization; Mobilehomes
 - 4.1.2. SB-915 Mobilehome Park Manager Training and Certification
 - 4.1.3. AB-2782 Mobilehome Parks: Change of Use
 - 4.2. Authorize Letter of Support for Pending Mobilehome Legislation
- 5. County Supervisor Report
- 6. Commissioner Reports
- 7. Central Coast Resident-Owned Parks Report
- 8. Legislative Report
- 9. County Counsel Report
- 10. Staff Report
- 11. Correspondence
- 12. Adjournment

Next Meeting Scheduled for: 9:30 to 11:00 AM on Thursday, May 21, 2020

The County of Santa Cruz does not discriminate on the basis of disability, and no person shall, by reason of a disability, be denied the benefits of its services, programs or activities. If you are a person with a disability and require assistance to participate in the teleconference, please call (831) 454-2772 or TTY/TDD:711 at least 72 hours in advance to make arrangements.



701 Ocean Street, Fifth Floor, Room 510, Santa Cruz, CA 95060 P: (831) 454-2772 F: (831) 454-2411 TTY/TDD: 711 commissions@santacruzcounty.us

MOBILE AND MANUFACTURED HOME COMMISSION MEETING MINUTES

DATE: January 16, 2020

LOCATION: Simpkins Family Swim Center, 979 17th Avenue, Santa Cruz, CA 95062

PRESENT: Jean Brocklebank (*Vice Chair - 1st District*), Henry Cleveland (*Chair - 2nd District*), Rick

Halterman (5th District), Charlene Garza (WMA)

EXCUSED: David Allenbaugh (3rdDistrict), Carol Lerno (GSMOL)

STAFF: Ryan Thompson (*County Counsel*), Angela Chesnut (1st District Analyst), Mitsuno

Baurmeister (EEO Officer), Kaite McGrew (Commissions Coordinator),

GUESTS: Tory Del Favero (US Census Bureau) and 3 Community Members

1. Call to Order/Roll Call/Agenda Review Meeting was convened at 9:30 AM.

2. Approve November 21, 2019 Meeting Minutes

Minutes amended to clarify language regarding Murphy Bank.

Motion to approve minutes as amended.

Motion/Second: Brocklebank/Halterman

Motion passed unanimously.

3. Public Comment: None

4. 2020 Census Community Outreach

Tory Del Favero (*Census Bureau Partnership Specialist*) reported on the confidentiality of the census process and the importance of having a complete and accurate count. Commission discussed safety concerns for senior parks, and options for the Commission to help promote census participation in the mobile and manufactured home community.

- 5. New Business/Action Items
 - 5.1. February 2020 HCD Fee and Tax Waiver Program Event Commission discussed the February 8-hour HCD mobile office event where HCD staff will be available to assist mobile home owners to registering their mobile homes.

Motion to endorse and promote the HCD Mobile Office event

Motion/Second: Brocklebank/Garza

Motion passed unanimously.

5.2. Approve MMHC 2018-2019 Biennial Report

Commission reviewed the 2018-2019 Biennial Report, including Commission goals and recommendations to the Board of Supervisors. The report will be available on the website.

Motion to approve the MMHC 2018-2019 Biennial Report.

Motion/Second: Brocklebank/Halterman

Motion passed unanimously.

6. County Supervisor Report

Chesnut reported that SCCC 13.31 Mobile Home Park Closure Ordinance was adopted by the Board of Supervisors on January 14, 2020 and invited Commissioners to attend the grand opening on LEO's Haven accessible playground. Assemblymember Mark Stone and disability rights advocate, Haben Girma will be speaking. Commission discussed the 18-month vacancy in

District 4 and possible recruitment efforts to fill the seat. Chesnut reported that Supervisor Leopold wrote a letter of support to the Public Utilities Commission in support of Cruzio's application for the California Advanced Services Fund Infrastructure Grant to advance the Equal Access Santa Cruz (EASC) project. The project would bring broadband to 263 households in seven MHPs in Soquel and Live Oak.

7. Commissioner Reports

7.1. Western Manufactured Housing Communities Association (WMA) Report:
Garza reported that she, Thompson, Creighton Mendivil, and Greg Evans, of Evans
Management, met to review and discuss SCCC 13.32's provisions for a fair rate of return on

capital improvements. The new, more favorable, open communications between the residents and park owners in the mobile and manufactured home community have been precipitated, in part, by Commission activities. Garza will share related decisions in two fair rate of return cases (Silver Lake and Carriage Acres) with the Commission.

7.2. <u>1st District Report</u>

Brocklebank reported that residents of Soquel Gardens are now receiving itemized utility bills, however, they are no longer receiving a monthly statement for their space rent. Garza will share the portion of the MRLA that concerns monthly statements with the Commission. Brocklebank reported that park owners have not appealed the Hearing Officer's decision in the Pleasure Point Mobile Manor petition and continue to bill the rent increase to park residents.

7.3. 2nd District Report

Cleveland suggested that this year's *Jan Beautz Award* be presented by last year's recipient, Mardi Brick. Cleveland announced that PG&E has refunded \$100 per space to parks with master meters to offset Public Safety Power Shutoffs (PSPS). Residents of parks with master meters are encouraged to request their refund from park management. Cleveland will bring hard copies of the 2020 Mobile Home Residency Law (MRLA) to the March meeting for Commissioners.

- 7.4. 5th District Report: No Report
- 7.5. 3rd District Report: No Report
- 7.6. Golden State Manufactured Homeowner's League (GSMOL) Report: No Report
- 8. Central Coast Resident-Owned Parks Report

Cleveland reported a speaker from County Public Works will be speaking on waste management solutions at their February meeting. HCD issues permits for solar paneling on mobile and manufactured homes provided the roof meets certain load-bearing specifications not usually found in moderate climates where structures do not have to withstand snowfall. Therefore, solar paneling on manufactured homes is permitted on a case-by-case basis. On a related note, Garza indicated that the HCD is working on specifications for generators in response to recent PSPS events.

9. Legislative Report

Halterman reported on the following bills of interest to the mobile home community:

- Several pieces of legislation impacting mobile and manufactured home owners are in process with deadlines approaching. More information should be available by March.
- SB-50 "MORE Homes Act": Consideration of the two-year zoning bill was postponed but is expected to pass from the Senate into the Assembly. Halterman will continue to monitor the bill.
- AB-3066 implementation planning of continues. Policies are now expected to be available for review on the website in April or May.

10. County Counsel Report:

Thompson reported on the following legal queries:

- *Pinto Lakes Update*: The Courts granted Senior Citizens Legal Services' amicus brief, giving Pinto Lakes thirty days to respond.
- Fair Rate of Return on Capital Improvements: Thompson outlined the substance of his earlier meeting with Mendivil, Garza and Evans, including the potential for differing interpretations of how fair rate of return should be calculated. Cleveland would like clarification by the May meeting. Staff indicated that there is a petition hearing on this issue scheduled for March, which should have a decision by April, in all likelihood providing a firm interpretation by the Hearing Officer.
- Further Clarification of Fair Rate of Return Calculations: Further clarifying this topic from the November 21, 2019 meeting, Thompson outlined the substance of his recent meeting with Mendivil, Garza and Evans. Upon further review, Thompson opined that County Code, as currently written, allows for potentially differing interpretations of how fair rate of return should be calculated. A petition hearing on this issue is scheduled for March 2nd. Given the potential for differing interpretations, Thompson indicated that the decision from a Hearing Officer may help provide further guidance and clarity on this issue.
- Deadlines to appeal Capital Improvement pass-throughs: Thompson reported that residents have forty-five (45) days from the first time the charge appears on their statement to file a petition challenging capital improvement pass-throughs.

11. Staff Report

Commission welcomed Mitsuno Baurmeister, County EEO Officer.

Staff reported on the following items:

- The Space Fee Fund Detail: Staff compiled a rough outline of space fee fund expenditures by year for the last four years. Because of invoicing and accounting delays, standard reports do not reflect actual expenditures by year. Cleveland would like the Commission to receive detailed reports on a regular basis if possible. Staff will work with County accounting personnel to address process barriers and update the Commission on progress in March.
- Space Fee statements were mailed on January 2, 2020 and 7% of space fees have been received.
- The deadline for residents of Old Mill Mobile Home Park to file a general rent increase petition has passed with no petition being filed.
- Residents of Shoreline Mobile Home Park filed a general rent increase petition on January 6, 2020 regarding fair rate of return calculations for capital improvements. A hearing officer has been appointed (John McSpadden) and a hearing date has been set for March 2, 2020.
- A resident from Pine Knoll was referred to CRLA for issues regarding capital improvement pass-throughs and fair rate of return calculation for capital improvements.

12. Correspondence: None

13. Adjournment

Meeting was adjourned at 10:53 AM.

Submitted by: Kaite McGrew, Commissions Coordinator

Updated (February 12, 2020)

SUMMARY

SB 999 would restore local control and help ensure rent affordability for mobilehome residents by removing a state imposed loophole in local mobilehome rent stabilization ordinances.

Current law prevents any mobilehome resident with a lease longer than 12 months from receiving the benefits of a local rent stabilization ordinance. This bill would allow leases entered into on or after January 1, 2020, to benefit from the protections of a local rent stabilization ordinance, and would repeal this section from state law on January 1, 2025.

PROBLEM

When California passed AB 1482 (Chaptered 2019), which provided rent gouging protections for renters, mobilehomes were not included. This decision kept rent stabilization for mobilehomes as a quasi-local control issue, with a number of state imposed loopholes undermining local authority.

The state imposed loophole for long-term leases to local mobilehome rent stabilization ordinances provides mobilehome space renters with little to no recourse if they are experiencing rental abuses. This state imposed loophole facilitates renter coercion through the signing of predatory long-term rental agreements, which can be exacerbated for non-English speaking immigrants.

Without protections in state law and current statutes undermining local control, there are simply no effective safeguards against rent abuse. For example, the senior-living community at Belmont Shores Mobile Estates in Long Beach, California suffered a 35% rent hike at the end of 2019, leaving many elderly residents uncertain about their future.

SOLUTION

In order to restore local control and ensure rent affordability for mobilehome residents, SB 999 would remove sections of state law that prevent residents with long-term leases from receiving the benefits of local rent stabilization ordinances.

SB 999 will not affect any locality that has not passed their own local rent stabilization ordinance for mobilehomes.

SB 999 will not affect existing space leases (provided they were effective before January 1, 2020) until January 1, 2025, allowing mobilehome park owners time to adjust to local rent stabilization provisions.

BACKGROUND

Manufactured homes are considered one of the last bastions of non-subsidized affordable housing in California. These properties often house our most at-risk residents: seniors with fixed incomes, disabled communities, and veterans.

Mobilehome residents are unique from both renters and traditional homeowners in that they often own their home but lease the land on which it is installed. Being both homeowner and renter is a difficult situation, as moving is expensive and punishing, with a home needing to be physically disassembled and reassembled at a new location. While the mobilehome resident's lease is rapidly appreciating, the value of their home stagnates or depreciates over time.

The relative immobility of mobilehomes and the rising tide of land values has created an impossible situation for California's most at-risk renters. With the prospect of moving so difficult, mobilehome residents simply cannot refuse extortionate rent increases through participation in the free market.

SUPPORT

Golden State Manufactured-Home Owners League (Co-Sponsor)

County of Los Angeles (Co-Sponsor)

FOR MORE INFORMATION

Jonathan Davis

Phone: (916) 651-4034

Email: Jonathan.Davis@sen.ca.gov

Senate Bill 915

Mobilehome Park Manager Training and Certification Senator Connie M. Leyva (D-Chino)

SUMMARY

SB 915 would require mobilehome park managers to be trained and certified on mobilehome rules and regulations of managing a mobilehome park and manufactured home communities. The Department of Housing and Community Development (HCD), in consultation with the Department of Consumer Affairs (DCA), would be responsible for developing the training and enforcing the certification.

BACKGROUND

According to the Manufactured Housing Opportunity Profile: Data Snapshot indicates there are 519,972 mobilehomes and manufactured homes in California accounting for 3.8% of the total housing stock and housing, which accounts for roughly 1.5 million residents in the state. Nearly half (47%) of these homes are affordable to very-low income households, compared to just 18% of the state's overall housing stock. Mobilehomes and manufactured homes are a significant source of affordable housing in a state with a desperate need for housing in this affordability range. Many residents who own or rent a mobilehome are low income and seniors who must rely on good management of their mobilehome park to ensure their livelihood is safe and they can live in quality housing.

<u>California has no requirements</u> for training or education of a mobilehome park manager. In many instances, the park manager may be responsible for the safety of over 200 residents and sometimes in remote locations of the state. Other states such as Oregon and Nevada mandate mobilehome park management to undergo training and licensing to ensure the health and safety of residents living in mobilehome parks.

PROBLEM

Mobilehome park managers are responsible for the health and safety the property and people who live in mobilehome parks. As noted in the 2016 Senate hearing Mobilehome Parks, the list of violations of the law stem from the lack of understanding by the park managers' of the Mobilehome Residency Law and the complex overlay of other laws and regulations.

This lack of training has led to situations of unlawful evictions, improper fees and invoices, discrimination, and poor maintenance affecting the quality of life in mobilehome parks.

SOLUTION

SB 915 would require any person, or person under contract who is responsible for managing a mobilehome park to:

Complete 18 hours per year of training including an annual end of year online examination. The training shall include the most prevalent complaints of the prior year. The training will be in an online format developed in consultation with DCA. The training shall include:

- The Mobilehome Residency Law
- Rights and responsibilities of homeowners and management
- Emergency procedures
- Communication with homeowners
- Title 25 of the California Code of Regulations
- Mobilehome titling and registration
- Applicable vehicle code provisions

The bill would require a process for background checks.

A Certificate of Completion shall be issued once the person has met all training requirements. The certificate must be posted visibly and available at the mobilehome park.

If the management is out of compliance with these requirements then HCD shall have the authority to suspend the management's permit to operate.

STATUS

Introduced - February 3, 2020

SUPPORT

Golden State Mobilehome Owners League (Sponsor)

CONTACT

Eric Guerra Office of Senator Connie M. Leyva Eric.Guerra@sen.ca.gov (916) 651-1517

LEGAL MEMORANDUM

WHY AB 2782 IS NEEDED TO PROTECT SANTA CRUZ COUNTY'S CURRENT MOBILE HOME PARK CONVERSION AND CLOSURE ORDINANCES AND HOW IT WILL PROVIDE THAT PROTECTION.

Santa Cruz County has an ordinance regulating the conversion of mobile home parks (Chapter 13.30 of the Santa Cruz County Code – "the SCC Conversion Ordinance") and a second ordinance regulating the closure of mobile home parks (Chapter 13.31 of the Santa Cruz County Code - "the SCC Closure Ordinance"). Both of these ordinances implement the provisions of Government Code Sections 65863.7 and 66427.4, regulating the conversion and closure of parks throughout the state. Santa Cruz County's ordinances comply with those statutes, while also providing some of the strongest protections in the State to preserve the affordable housing in mobile home parks and to provide adequate compensation to mobilehome owners who are displaced by a park closure. However, the two state statutes are vague and clarifications are needed in them to support Santa Cruz County's current ordinances, which AB 2782 will provide for as follows:

1. Santa Cruz County's Current Requirements That Adequate Replacement Housing In Other Mobile Home Parks Must Be Provided. Subsections (A) through (C) of Section 13.30.050 of the SCC Conversion Ordinance requires a finding that there are sufficient low-income affordable spaces in parks in Santa Cruz County for all of the homeowners who will be displaced by a conversion. Similarly, Section 13.31.050 (B) of the SCC Closure Ordinance requires a finding that mitigation benefits will be provided that will allow the displaced homeowners to obtain adequate housing in other mobile home parks within Santa Cruz County.

How AB 2782 Will Protect This Requirement. AB 2784's new subsection (a) (1) in Government Code Section 65863.7 requires a replacement and relocation plan that demonstrates that the displaced homeowners will be able to find adequate housing in a mobile home park. Its new subsection (k) of Government Code Section 65863.7 then makes it clear that the statute provides only minimum standards for local regulations of park closures and conversions but that it also allows more stringent local measures. Thus, these two changes make it clear that Santa Cruz County's above protections are consistent with state law.

2. Santa Cruz County's Current Requirement That A Park Conversion Will Not Result In A Loss Of Affordable Housing. Section 13.30.050 of the SCC Conversion Ordinance requires a finding that a "conversion will not result in a shortage of housing opportunities and choices within the County of Santa Cruz."

How AB 2782 Will Protect This Requirement. AB 2784's new subsection (e)(2) in Government Code Section 65863.7 requires a finding that the approval of the closure of a park and of its conversion into its intended new use will not result in or materially contribute to a shortage of housing opportunities and choices for low- and moderate- income households within the local jurisdiction. Although California's Housing Elements Law, and cases interpreting it, also require this, adding this housing preservation requirement to Government Code Section 65863.7 provides stronger support for Santa Cruz County's affordable housing preservation requirement.

3. Santa Cruz County's Current Requirements That A Displaced Mobile Home's In-Place Value Must Be Paid To Its Owner When Adequate Replacement Housing Is Not Available In Santa Cruz County. Section 13.30.060 (E) of the SCC Conversion Ordinance and 13.31.060 (E) of the SCC Closure Ordinance both require a park owner to purchase, at their fair market value, any mobile homes that cannot be relocated.

How AB 2782 Will Protect This Requirement. AB 2782's new subsection (a) (2) in Government Code Section 65863.7 requires a park owner to pay the in-place market value of the displaced mobile homes to the displaced homeowners if adequate housing is not available in another mobile home park. Currently, Section 65863.7 does not require this and one trial court ruled that requiring such in-place market value compensation is prohibited by the current limits of Section 65863.7. (See Statement of Decision, filed January 8, 2010, City of Thousand Oaks v. 1200 Newbury LLC, Case No. 56-2009-00337441-CU-WM-VTA) Thus, AB 2782'2 new subsection (a) (2) in Government Code Section 65863.7 is needed to clarify that the payment of the in-place value of a displaced mobile home is allowable compensation when adequate housing is not available in another mobile home park.

4. Santa Cruz County's Current Requirement That A Park Owner Must Demonstrate A Reason For Closing Their Park Early, If They Attempt To Close A Park Before They Submit Their Application For Its Intended New Use. Sections 13.31.030 (C) and 13.31.050 (A) of the SCC Closure Ordinance require a park owner to demonstrate, in a certificate filed under penalty of perjury and supported with adequate evidence, that there is a reason beyond their control that they must close their park early rather than waiting until the time that they are ready to file their application for its intended new use.

How AB 2782 Will Protect This Requirement. The legislative history of SCC Closure Ordinance states that Santa Cruz County does not believe that this is an additional more stringent regulation but merely a method of ensuring that park owners follow the controlling state statutes, rather than closing their parks early to circumvent the requirements of those statutes. However, AB 2782's new subsection (k) in Government Code Section 65863.7 makes it clear that, since the statute only provides a minimum standard for local regulations of park closures and conversions, but allows more stringent local measures, Santa Cruz County is permitted to require this, even if a court were to determine that it is an additional more stringent regulation.

Memorandum Provided by: William J. Constantine, Attorney 303 Potrero Street, Building # 29, Suite 107 Santa Cruz, California 95060 (831) 420-1238

Fax: (831) 480-5934

E-mail: wconstantinesantacruz@gmail.com



701 Ocean Street, Fifth Floor, Room 510 Santa Cruz, CA 95060 (831) 454-2772 Fax (831) 454-2411 TTY/TDD: 711 commissions@santacruzcounty.us www.sccmmhc.org

Scheduled Meetings

Unless otherwise specified, regularly scheduled Mobile and Manufactured Home Commission meetings are generally held as follows:

DAY: Third (3rd) Thursday

MONTH: Every other month (January, March, May, July, September, and November)

TIME: 9:30 AM – 11:00 AM

LOCATION: Simpkins Family Swim Center**

979 17th Avenue, Santa Cruz, CA 95062

Changes to the schedule, including special meetings, changes of location, or meeting cancellations, **will be listed on the website** at www.sccmmhc.org as soon as the information becomes available. Agendas will be posted 72 hours in advance of each meeting.

2020 MEETING DATES					
DATE	TIME	LOCATION			
January 16, 2020	9:30 – 11:00 AM	Simpkins Swim Center**			
March 19, 2020	9:30 – 11:00 AM	Simpkins Swim Center**			
May 21, 2020	9:30 – 11:00 AM	Simpkins Swim Center**			
July 16, 2020	9:30 – 11:00 AM	Simpkins Swim Center**			
September 17, 2020	9:30 – 11:00 AM	Simpkins Swim Center**			
November 19, 2020	9:30 – 11:00 AM	To Be Determined			



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Notice of Public Meeting Cancelation

THE SANTA CRUZ COUNTY MOBILE AND MANUFACTURED HOME COMMISSION SPECIAL MEETING SCHEDULED FOR: APRIL 2, 2020 HAS BEEN CANCELED

THE NEXT REGULARLY SCHEDULED MEETING IS:

Date: Thursday, May 21, 2020

Time: 9:30 – 11:00 AM

Location: Simpkins Swim Center

979 17th Avenue

Santa Cruz, CA 95062



701 Ocean Street, Fifth Floor, Room 510 Santa Cruz, CA 95060 (831) 454-2772 Fax (831) 454-2411 TTY/TDD: 711 commissions@santacruzcounty.us www.sccmmhc.org

Notice of Special Public Meeting and Agenda

THIS MEETING WILL BE HELD VIA TELECONFERENCE FOR HEALTH AND SAFETY REASONS

DATE: Thursday, April 2, 2020 TIME: 9:30 AM to 10:30 AM

LOCATION: Remote Meeting via Teleconference. Please dial in using your phone.

United States (Toll Free): 1 866 899 4679

United States: +1 (571) 317-3116

Access Code: 450-197-941

1. Call to Order

2. Roll Call

3. Agenda Review

4. Public Comment

Any person may address the Commission for a period not to exceed three minutes on matters within the jurisdiction of the Commission. The Commission will not take action but may choose to follow up at a subsequent meeting.

5. Action Items

- 5.1. Proposed Suspension of the *Santa Cruz County Code Chapter 13.32* Petition Hearing Process for the Duration of the State of Emergency
 - 5.1.1. Approve Letter Recommending Suspension of the Petition Hearing Process
- 5.2. Assembly Bill No. 2782
 - 5.2.1. Approve Letter Recommending Support for Assembly Bill No. 2782
- 6. Adjournment

Next Meeting Scheduled for: 9:30 to 11:00 AM on Thursday, May 21, 2020

The County of Santa Cruz does not discriminate on the basis of disability, and no person shall, by reason of a disability, be denied the benefits of its services, programs or activities. If you are a person with a disability and require assistance to participate in the teleconference, please call (831) 454-2772 or TTY/TDD:711 at least 72 hours in advance to make arrangements.

Proposed Suspension of the Petition Hearing Process

- The provisions of SCCC 13.32 "Rental Adjustment Procedures for Mobilehome Parks", Section 13.32.060 "Hearing of Disputes" shall be suspended until the Governor's March 4, 2020 proclaimed state of emergency is lifted. No petitions shall be accepted during the suspension. During the suspension, residents may nonetheless be referred for legal consultation by County Staff.
- 2. Any mobile home park rental adjustments that have been noticed or will be noticed between January 31, 2020 and the time when the Governor's proclaimed state of emergency is lifted will be eligible for dispute by residents according to the revised timeline described herein.
- 3. Once the Governor's proclaimed state of emergency is lifted, timelines to submit rent adjustment petitions for each case shall be established as set forth below. Residents shall have 90 days from the date the Governor's proclaimed state of emergency is lifted to request a referral from County Staff for legal consultation. Within 45 days of the date the resident is referred for legal consultation, the resident shall submit a petition pursuant to the provisions of County Code section 13.32.060. If the resident has already been referred for legal consultation but has not been able to proceed to hearing because of the suspension, they shall receive a new referral with a new deadline to submit their petition. Petitions will still require the inclusion of the original postmarked envelope to establish that the rental adjustment notice fell within the suspension period as described herein.
- 4. The resolution shall be liberally construed to provide the broadest possible protection for residents of mobile home parks in the unincorporated area of Santa Cruz County.
- 5. The County Administrative Officer, the County Counsel, and all other County officers and department heads are authorized and directed to take such other and further actions as may be necessary or appropriate to implement the intent and purpose of the resolution.



701 Ocean Street, Fifth Floor, Room 510 Santa Cruz, CA 95060 (831) 454-2772 Fax (831) 454-2411 TTY/TDD: 711 commissions@santacruzcounty.us

April 2, 2020

www.sccmmhc.org

Santa Cruz County Board of Supervisors 701 Ocean Street, Room 500 Santa Cruz, CA 95060

Re: Letter Recommending Temporary Suspension of Mobile Home Park Rental Adjustment Petition Hearing Process in Response to the Coronavirus Pandemic State of Emergency

Dear Members of the Board,

The Manufactured and Mobile Home Commission recommends that you approve and adopt a resolution temporarily suspending the petition hearing process provided in Santa Cruz County Code ("SCCC") Chapter 13.32 Rental Adjustment Procedures for Mobilehome Parks Section 13.32.060 for the duration of the coronavirus pandemic state of emergency. The petition process generally demands in-person efforts that would present unnecessary health and safety risks to mobile home park residents, many of whom are senior citizens. Additionally, without your resolution, the required timelines would preclude their being able to postpone such efforts until it would be safer to conduct them.

Santa Cruz County's mobile home park rent control ordinance, SCCC Chapter 13.32 Rental Adjustment Procedures for Mobilehome Parks, describes a hearing process for residents who wish to dispute a rental adjustment. The process contains specific steps with specific deadlines by which to take those steps. All of the steps generally demand in-person contact with other parties in the process. Most notably, a paper petition is circulated throughout the park to get the required number of signatures to proceed with the petition. As long as the provisions in SCCC Chapter 13.32 Section 13.32.060 Hearing Disputes remain in effect, residents who were not able to complete the steps within the required timelines because of the coronavirus pandemic state of emergency will permanently lose their opportunity to dispute that increase.

The Commission recommends that the Board of Supervisors approve and adopt a resolution temporarily suspending the petition hearing process until the state of emergency has been lifted and providing direction for reinstatement procedures that will be safe, efficient and fair to all parties.

Respectfully submitted,

Henry Cleveland,

Commission Chair on behalf of the Santa Cruz County Mobile and Manufactured Home Commission

LEGAL MEMORANDUM

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Memorandum Provided by: William J. Constantine, Attorney 303 Potrero Street, Building # 29, Suite 107 Santa Cruz, California 95060 (831) 420-1238

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commissions@santacruzcounty.us www.sccmmhc.org

April 2, 2020 Santa Cruz County Board of Supervisors 701 Ocean Street, Room 500 Santa Cruz, CA 95060

Re: Letter Recommending Support for Assembly Bill 2782

Dear Members of the Board,

The Manufactured and Mobile Home Commission recommends that you approve and adopt a resolution in support of Assembly Bill No. 2782.

Santa Cruz County has an ordinance regulating the conversion of mobile home parks (Chapter 13.30 of the Santa Cruz County Code – "the SCC Conversion Ordinance") and your Board has recently adopted a second ordinance regulating the closure of mobile home parks (Chapter 13.31 of the Santa Cruz County Code - "the SCC Closure Ordinance"). Both ordinances implement the provisions of Government Code Sections 65863.7 and 66427.4, which regulate the conversion and closure of parks throughout the State. Our ordinances not only comply with those statutes, but also provide some of the State's strongest protections preserving affordable housing stock in mobile home parks and providing adequate compensation to mobile and manufactured home owners displaced by a park closure. However, because the State statutes are vague, they require further clarification in order to adequately support Santa Cruz County's current ordinances.

Assembly Bill No. 2782 will provide that needed clarification by:

- requiring viable housing replacement and relocation plans;
- requiring that closure or conversion will not result in a material loss of affordable housing opportunities; and
- requiring park owners to pay displaced mobile and manufactured home owners the inplace market value of their homes if adequate housing is not available in another mobile home park.

Although Santa Cruz County ordinances currently make these provisions, Assembly Bill No. 2782 strengthens them by clarifying that the State provisions represent a minimum standard for local mobile home park conversion and closure regulation and more stringent local measures are allowable.

The Commission recommends that the Board of Supervisors approve and adopt a resolution in support of Assembly Bill No. 2782, in keeping with your consistent record of support for the Santa Cruz County mobile and manufactured home community.

Respectfully submitted,

Henry Cleveland,

Commission Chair on behalf of the Santa Cruz County Mobile and Manufactured Home Commission



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TIME: 9:30 AM – 11:00 AM

LOCATION: Simpkins Family Swim Center**

979 17th Avenue, Santa Cruz, CA 95062

Changes to the schedule, including special meetings, changes of location, or meeting cancellations, will be listed on the website at www.sccmmhc.org as soon as the information becomes available. Agendas will be posted 72 hours in advance of each meeting.

2020 MEETING DATES			
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July 16, 2020	9:30 – 11:00 AM	Simpkins Swim Center**	
September 17, 2020	9:30 – 11:00 AM	Simpkins Swim Center**	
November 19, 2020	9:30 – 11:00 AM	To Be Determined	



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commissions@santacruzcounty.us

www.sccmmhc.org

Notice of Public Meeting and Agenda

DATE: Thursday, May 21, 2020 TIME: 9:30 AM to 11:00 AM

IN RESPONSE TO THE COVID-19 PUBLIC HEALTH EMERGENCY AND PURSUANT TO THE PROVISIONS OF THE GOVERNOR'S EXECUTIVE ORDER N-29-20 ISSUED MARCH 17, 2020, THIS WILL BE A REMOTE MEETING WITH NO PHYSICAL LOCATION AVAILABLE, BUT ACCESS AND AN OPPORTUNITY TO COMMENT WILL BE PROVIDED. PLEASE DIAL-IN TO THE TELECONFERENCE WITHIN TEN MINUTES OF THE MEETING START TIME.

TELECONFERENCE INFORMATION

Phone: <u>(571) 317-3129</u> Toll Free: <u>(877) 309 2073</u> **Access Code: 398-418-773**

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- 1. Call to Order/Roll Call/Agenda Review
- 2. Approve January 16, 2020 Meeting Minutes
- 3. Public Comment

Any person may address the Commission for a period not to exceed three minutes on matters within the jurisdiction of the Commission. The Commission will not take action but may choose to follow up at a subsequent meeting. Please review the attached instructions regarding public comment participation.

- 4. New Business/Action Items
 - 4.1. Election of Officers
 - 4.2. Review Pending Legislation and Consider Authorizing Letter of Support
 - 4.2.1. SB-915 Mobilehome Parks: emergency relief: coronavirus (COVID-19)
 - 4.2.2. SB-999 Local Rent Stabilization: mobile homes
 - 4.3. Consider Commission Bylaws Regarding Special Meetings
 - 4.4. Commission Pandemic Response
- 5. County Supervisor Report
- 6. Commissioner Reports
- 7. Central Coast Resident-Owned Parks Report
- 8. Legislative Report
- 9. County Counsel Report
- 10. Staff Report
- 11. Correspondence
- 12. Adjournment

Next Meeting Scheduled for: 9:30 to 11:00 AM on Thursday, July 16, 2020

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Public Comment

Due to the Coronavirus (COVID-19) public health emergency, in-person participation at this Commission meeting is not allowed for health and safety reasons. However, you may participate in the meetings via teleconference instead of attending in-person. Dial-in information is included on meeting notices. During the meeting, your telephone line will be muted unless you have requested to make a comment in advance.

How to Make a Public Comment

If you would like to make a public comment, you can do so in the following two ways:

1. Email Your Public Comment

The most direct way to make a public comment is via email. Your comment will be distributed to the Commission and read aloud during the public comment segment of the meeting. If you do not want your name read aloud, please indicate so in your email. The deadline to submit a comment by email is 12 hours before the start of the meeting. Email your comment to commissions@santacruzcounty.us.

2. Make Your Public Comment via Telephone During the Meeting

If you would like to make a comment during the meeting you must submit an email request no later than 12 hours in advance of the meeting.

If you will be commenting on something not listed on the agenda:

Please email your request to commissions@santacruzcounty.us including the following information:

- Your name
- The telephone number you will be using to call in
- Indicate that you would like to speak during the public comment segment of the meeting.

During the public comments segment of the meeting, community members who requested to speak on topics not included on the agenda will be invited by name to speak to the Commission for a period not to exceed three minutes. Your line will be unmuted during your three minutes.

If you will be commenting on something listed on the agenda

Please email your request to commissions@santacruzcounty.us including the following information:

- Your name
- The telephone number you will be using to call in
- Indicate the agenda item you would like to comment on

Community members who have requested to comment on specific agenda items will be invited by name to speak after Commission discussion on each topic. Your line will be unmuted during your comment for a period not to exceed three minutes.



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MOBILE AND MANUFACTURED HOME COMMISSION MEETING MINUTES

DATE: January 16, 2020

LOCATION: Simpkins Family Swim Center, 979 17th Avenue, Santa Cruz, CA 95062

PRESENT: Jean Brocklebank (*Vice Chair - 1st District*), Henry Cleveland (*Chair - 2nd District*), Rick

Halterman (5th District), Charlene Garza (WMA)

EXCUSED: David Allenbaugh (3rdDistrict), Carol Lerno (GSMOL)

STAFF: Ryan Thompson (*County Counsel*), Angela Chesnut (1st District Analyst), Mitsuno

Baurmeister (EEO Officer), Kaite McGrew (Commissions Coordinator),

GUESTS: Tory Del Favero (US Census Bureau) and 3 Community Members

1. Call to Order/Roll Call/Agenda Review Meeting was convened at 9:30 AM.

2. Approve November 21, 2019 Meeting Minutes

Minutes amended to clarify language regarding Murphy Bank.

Motion to approve minutes as amended.

Motion/Second: Brocklebank/Halterman

Motion passed unanimously.

3. Public Comment: None

4. 2020 Census Community Outreach

Tory Del Favero (*Census Bureau Partnership Specialist*) reported on the confidentiality of the census process and the importance of having a complete and accurate count. Commission discussed safety concerns for senior parks, and options for the Commission to help promote census participation in the mobile and manufactured home community.

- 5. New Business/Action Items
 - 5.1. February 2020 HCD Fee and Tax Waiver Program Event
 Commission discussed the February 8-hour HCD mobile office event where HCD staff will
 be available to assist mobile home owners to registering their mobile homes.

Motion to endorse and promote the HCD Mobile Office event

Motion/Second: Brocklebank/Garza

Motion passed unanimously.

5.2. Approve MMHC 2018-2019 Biennial Report

Commission reviewed the 2018-2019 Biennial Report, including Commission goals and recommendations to the Board of Supervisors. The report will be available on the website.

Motion to approve the MMHC 2018-2019 Biennial Report.

Motion/Second: Brocklebank/Halterman

Motion passed unanimously.

6. County Supervisor Report

Chesnut reported that SCCC 13.31 Mobile Home Park Closure Ordinance was adopted by the Board of Supervisors on January 14, 2020 and invited Commissioners to attend the grand opening on LEO's Haven accessible playground. Assemblymember Mark Stone and disability rights advocate, Haben Girma will be speaking. Commission discussed the 18-month vacancy in

District 4 and possible recruitment efforts to fill the seat. Chesnut reported that Supervisor Leopold wrote a letter of support to the Public Utilities Commission in support of Cruzio's application for the California Advanced Services Fund Infrastructure Grant to advance the Equal Access Santa Cruz (EASC) project. The project would bring broadband to 263 households in seven MHPs in Soquel and Live Oak.

7. Commissioner Reports

7.1. Western Manufactured Housing Communities Association (WMA) Report:

Garza reported that she, Thompson, Creighton Mendivil, and Greg Evans, of Evans

Management, mot to review and discuss SCCC 13-32's provisions for a fair rate of r

Management, met to review and discuss SCCC 13.32's provisions for a fair rate of return on capital improvements. The new, more favorable, open communications between the residents and park owners in the mobile and manufactured home community have been precipitated, in part, by Commission activities. Garza will share related decisions in two fair rate of return cases (Silver Lake and Carriage Acres) with the Commission.

7.2. <u>1st District Report</u>

Brocklebank reported that residents of Soquel Gardens are now receiving itemized utility bills, however, they are no longer receiving a monthly statement for their space rent. Garza will share the portion of the MRLA that concerns monthly statements with the Commission. Brocklebank reported that park owners have not appealed the Hearing Officer's decision in the Pleasure Point Mobile Manor petition and continue to bill the rent increase to park residents.

7.3. 2nd District Report

Cleveland suggested that this year's *Jan Beautz Award* be presented by last year's recipient, Mardi Brick. Cleveland announced that PG&E has refunded \$100 per space to parks with master meters to offset Public Safety Power Shutoffs (PSPS). Residents of parks with master meters are encouraged to request their refund from park management. Cleveland will bring hard copies of the 2020 Mobile Home Residency Law (MRLA) to the March meeting for Commissioners.

- 7.4. 5th District Report: No Report
- 7.5. 3rd District Report: No Report
- 7.6. Golden State Manufactured Homeowner's League (GSMOL) Report: No Report
- 8. Central Coast Resident-Owned Parks Report

Cleveland reported a speaker from County Public Works will be speaking on waste management solutions at their February meeting. HCD issues permits for solar paneling on mobile and manufactured homes provided the roof meets certain load-bearing specifications not usually found in moderate climates where structures do not have to withstand snowfall. Therefore, solar paneling on manufactured homes is permitted on a case-by-case basis. On a related note, Garza indicated that the HCD is working on specifications for generators in response to recent PSPS events.

9. Legislative Report

Halterman reported on the following bills of interest to the mobile home community:

- Several pieces of legislation impacting mobile and manufactured home owners are in process with deadlines approaching. More information should be available by March.
- SB-50 "MORE Homes Act": Consideration of the two-year zoning bill was postponed but is expected to pass from the Senate into the Assembly. Halterman will continue to monitor the bill.
- AB-3066 implementation planning of continues. Policies are now expected to be available for review on the website in April or May.

10. County Counsel Report:

Thompson reported on the following legal queries:

- *Pinto Lakes Update*: The Courts granted Senior Citizens Legal Services' amicus brief, giving Pinto Lakes thirty days to respond.
- Fair Rate of Return on Capital Improvements: Thompson outlined the substance of his earlier meeting with Mendivil, Garza and Evans, including the potential for differing interpretations of how fair rate of return should be calculated. Cleveland would like clarification by the May meeting. Staff indicated that there is a petition hearing on this issue scheduled for March, which should have a decision by April, in all likelihood providing a firm interpretation by the Hearing Officer.
- Further Clarification of Fair Rate of Return Calculations: Further clarifying this topic from the November 21, 2019 meeting, Thompson outlined the substance of his recent meeting with Mendivil, Garza and Evans. Upon further review, Thompson opined that County Code, as currently written, allows for potentially differing interpretations of how fair rate of return should be calculated. A petition hearing on this issue is scheduled for March 2nd. Given the potential for differing interpretations, Thompson indicated that the decision from a Hearing Officer may help provide further guidance and clarity on this issue.
- Deadlines to appeal Capital Improvement pass-throughs: Thompson reported that residents have forty-five (45) days from the first time the charge appears on their statement to file a petition challenging capital improvement pass-throughs.

11. Staff Report

Commission welcomed Mitsuno Baurmeister, County EEO Officer.

Staff reported on the following items:

- The Space Fee Fund Detail: Staff compiled a rough outline of space fee fund expenditures by year for the last four years. Because of invoicing and accounting delays, standard reports do not reflect actual expenditures by year. Cleveland would like the Commission to receive detailed reports on a regular basis if possible. Staff will work with County accounting personnel to address process barriers and update the Commission on progress in March.
- Space Fee statements were mailed on January 2, 2020 and 7% of space fees have been received.
- The deadline for residents of Old Mill Mobile Home Park to file a general rent increase petition has passed with no petition being filed.
- Residents of Shoreline Mobile Home Park filed a general rent increase petition on January 6, 2020 regarding fair rate of return calculations for capital improvements. A hearing officer has been appointed (John McSpadden) and a hearing date has been set for March 2, 2020.
- A resident from Pine Knoll was referred to CRLA for issues regarding capital improvement pass-throughs and fair rate of return calculation for capital improvements.

12. Correspondence: None

13. Adjournment

Meeting was adjourned at 10:53 AM.

Submitted by: Kaite McGrew, Commissions Coordinator

California Senate Bill 915 Mobilehome Parks: Emergency Relief: Coronavirus (COVID-19)

Senators Connie Leyva and Bill Dodd AMENDED SB 915 to address impacts of COVID-19 on Mobilehome Residents

Status: In Senate Housing Committee

SB 915 would create a process to protect mobilehome park residents impacted by the COVID-19 crisis, by giving them a greater chance of remaining in their mobilehome during the pandemic and a reasonable time after.

If enacted, SB 915 would:

- Prohibit the issuance of any 60-day or 7-day notices against mobilehome park residents affected by COVID-19. These notices are unique to mobilehome park residents under the MRL.
- Allow mobilehome park residents "a reasonable amount of additional time" to pay the
 deferred rent or to remedy any alleged violations of park rules without facing additional
 rent increases, park charges or enforcement action as outlined in the MRL during the
 period of repayment. Currently, the deferred rent that is to be repaid and the process of
 that repayment remains an open question that neither the Governor's Order nor the
 Judicial Council Emergency Rules of Court have addressed.

Updated (February 12, 2020)

SUMMARY

SB 999 would restore local control and help ensure rent affordability for mobilehome residents by removing a state imposed loophole in local mobilehome rent stabilization ordinances.

Current law prevents any mobilehome resident with a lease longer than 12 months from receiving the benefits of a local rent stabilization ordinance. This bill would allow leases entered into on or after January 1, 2020, to benefit from the protections of a local rent stabilization ordinance, and would repeal this section from state law on January 1, 2025.

PROBLEM

When California passed AB 1482 (Chaptered 2019), which provided rent gouging protections for renters, mobilehomes were not included. This decision kept rent stabilization for mobilehomes as a quasi-local control issue, with a number of state imposed loopholes undermining local authority.

The state imposed loophole for long-term leases to local mobilehome rent stabilization ordinances provides mobilehome space renters with little to no recourse if they are experiencing rental abuses. This state imposed loophole facilitates renter coercion through the signing of predatory long-term rental agreements, which can be exacerbated for non-English speaking immigrants.

Without protections in state law and current statutes undermining local control, there are simply no effective safeguards against rent abuse. For example, the senior-living community at Belmont Shores Mobile Estates in Long Beach, California suffered a 35% rent hike at the end of 2019, leaving many elderly residents uncertain about their future.

SOLUTION

In order to restore local control and ensure rent affordability for mobilehome residents, SB 999 would remove sections of state law that prevent residents with long-term leases from receiving the benefits of local rent stabilization ordinances.

SB 999 will not affect any locality that has not passed their own local rent stabilization ordinance for mobilehomes.

SB 999 will not affect existing space leases (provided they were effective before January 1, 2020) until January 1, 2025, allowing mobilehome park owners time to adjust to local rent stabilization provisions.

BACKGROUND

Manufactured homes are considered one of the last bastions of non-subsidized affordable housing in California. These properties often house our most at-risk residents: seniors with fixed incomes, disabled communities, and veterans.

Mobilehome residents are unique from both renters and traditional homeowners in that they often own their home but lease the land on which it is installed. Being both homeowner and renter is a difficult situation, as moving is expensive and punishing, with a home needing to be physically disassembled and reassembled at a new location. While the mobilehome resident's lease is rapidly appreciating, the value of their home stagnates or depreciates over time.

The relative immobility of mobilehomes and the rising tide of land values has created an impossible situation for California's most at-risk renters. With the prospect of moving so difficult, mobilehome residents simply cannot refuse extortionate rent increases through participation in the free market.

SUPPORT

Golden State Manufactured-Home Owners League (Co-Sponsor)

County of Los Angeles (Co-Sponsor)

FOR MORE INFORMATION

Jonathan Davis

Phone: (916) 651-4034

Email: Jonathan.Davis@sen.ca.gov

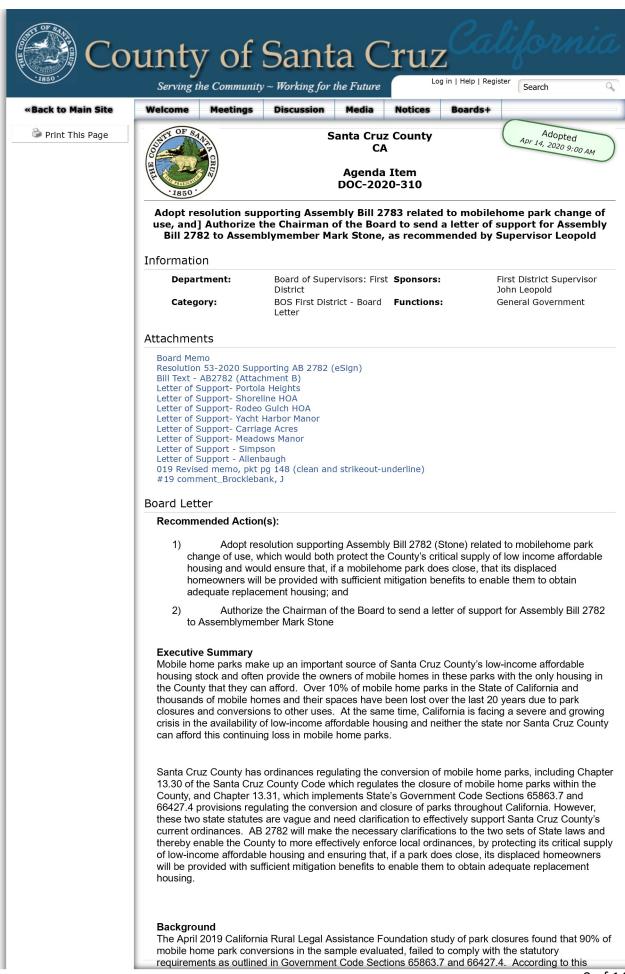
MMHC Bylaws Language Re: Special Meetings

6. SPECIAL MEETINGS

Special meetings may be called by a majority vote of the Commission or by the Chair during any regular or special meeting and one other Commissioner at any time.

At least twenty-four (24) hours prior to each special meeting, written notice for the meeting shall be posted and mailed or emailed to each member of the Commission, and to each person or organization that has submitted a written request to the Commission for notification of such meetings. The notice shall be posted on the Commission website and in a location that is freely accessible to the public. The notice shall specify the time and place of the special meeting and the business to be transacted or discussed.

No business other than that listed on the written notice shall be considered at a special meeting.



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study, 565 California mobile home parks were converted to other uses, resulting in the loss of 17,149 housing units between 1998 and 2019.

Analysis

Many of the provisions in the two sets of above-referenced laws are out of date, vague and provide neither sufficient guidance nor adequate mechanisms for compliance and effective enforcement by local government. AB 2782's modifications will preserve affordable housing by now requiring a finding that the approval of the closure of a park and of its conversion into its intended new use will not result in or materially contribute to a shortage of housing opportunities and choices for low-to-moderateincome households within the local jurisdiction. (See Attachment A - Resolution; and the new subsection (e)(2) of the Government Code Section 65863.7 in AB 2782, Attachment B).

AB 2782 allows for more stringent local regulations by establishing a minimum standard for local regulations of park closures and conversion, and would require replacement and relocation plans demonstrating that displaced homeowners will be able to find adequate housing in another mobile home park or, if none is available, to pay the in-place market value of mobile homes to displaced owners. (See new subsection (a) (2) of Government Code Section 65863.7 in AB 2782).

Additionally, AB 2782 requires a 60-day notice of conversion or closure to displaced owners compared to the prior 15-days before a local hearing (See the new language in subsection (b) of Government Code Section 65863.7 in AB 2782). Lastly, AB 2782 amends any inconsistencies for current displaced homeowner mitigation requirements. (See new subsection (k) of Government Code Section 65863.7 and new subsections (a) and (b) of Government Code Section 65863.7 in AB 2782).

Body

Strategic Plan Element(s)

This item supports the following County Strategic Plan Elements:

2.D. Attainable Housing: Expand services to reduce homelessness and increase housing stability.

Meeting History

Board of Apr 14, 2020 9:00 AM Video **Regular Meeting**

Resolution No. 53-2020

ADOPTED [UNANIMOUS] RESULT: Ryan Coonerty, Third District Supervisor MOVER:

SECONDER: John Leopold, First District Supervisor John Leopold, Zach Friend, Ryan Coonerty, Greg Caput, Bruce McPherson AYES:

Discussion

2 of 2

Add Comment

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5/6/2020, 3:43 PM

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Adopted 04/14/2020 Board of Supervisors DOC-2020-311

BEFORE THE BOARD OF SUPERVISORS OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA

RESOLUTION NO. 54-2020

On the motion of: Coonerty duly seconded by: Leopold the following resolution is adopted:

RESOLUTION TEMPORARILY SUSPENDING THE SANTA CRUZ COUNTY CODE CHAPTER 13.32 "RENTAL ADJUSTMENT PROCEDURES FOR MOBILEHOME PARKS" PETITION AND HEARING PROCESS FOR THE DURATION OF THE CORONAVIRUS PANDEMIC STATE OF EMERGENCY

The Board of Supervisors of Santa Cruz County hereby finds and declares the following:

WHEREAS, states of emergency have recently been proclaimed at the Federal, State, and local levels related to the novel coronavirus ("COVID-19") pandemic, including a March 4, 2020 proclamation of emergency by California Governor Gavin Newsom; and

WHEREAS, the Santa Cruz County Public Health Officer recently issued an order requiring County residents to shelter in place through May 3, 2020, in order to stop community spread of COVID-19, subject to exceptions for the provision and receipt of essential services, and this order may be continued as necessary to address the pandemic; and

WHEREAS, Santa Cruz County Code Chapter 13.32 "Rental Adjustment Procedures for Mobile Home Parks" requires that mobile home park residents (hereinafter "residents") meet certain deadlines and conditions in order to file petitions for hearings to dispute rental adjustments; and

WHEREAS, if such deadlines and conditions are not met, residents have no further opportunity to dispute that rental adjustment; and

WHEREAS, the petition process generally demands that residents circulate a paper petition throughout the mobile home park in person to obtain signatures from other residents before they can file a petition; and

WHEREAS, many mobile home park residents within the unincorporated area of Santa Cruz County are senior citizens, a population designated as particularly susceptible to COVID-19 by the Center for Disease Control; and

WHEREAS, the Center for Disease Control recommends that all citizens limit their exposure and proximity to one another as much as possible during the COVID-19 health crisis; and

WHEREAS, circulating a paper petition at this time, as well as gathering for related hearings, would present an unnecessary risk to the health and safety of mobile home park residents; and

WHEREAS, the Board has determined that urgent action must be taken to protect the health, safety, and welfare of mobile home park residents in the unincorporated area of Santa Cruz County; and

WHEREAS, the Board has determined that it is appropriate to temporarily suspend the rental adjustment petition and hearing process as described in SCCC 13.32.060 "Hearing of Disputes" until the Governor's March 4, 2020 proclaimed state of emergency is lifted;

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Santa Cruz County hereby orders:

- 1. The provisions of SCCC 13.32 "Rental Adjustment Procedures for Mobilehome Parks", Section 13.32.060 "Hearing of Disputes" shall be suspended until the Governor's March 4, 2020 proclaimed state of emergency is lifted. No petitions shall be accepted during the suspension. During the suspension, residents may nonetheless be referred for legal consultation by County Staff.
- 2. Any mobile home park rental adjustments that have been noticed or will be noticed between January 31, 2020 and the time when the Governor's proclaimed state of emergency is lifted will be eligible for dispute by residents according to the revised timeline described herein.
- 3. Once the Governor's proclaimed state of emergency is lifted, timelines to submit rent adjustment petitions for each case shall be established as set forth below. Residents shall have 90 days from the date the Governor's proclaimed state of emergency is lifted to request a referral from County staff for legal consultation. Within 45 days of the date the resident is referred for legal consultation, the resident shall submit a petition pursuant to the provisions of County Code section 13.32.060. If the resident has already been referred for legal consultation but has not been able to proceed to hearing because of the suspension, they shall receive a new referral with a new deadline to submit their petition. Petitions will still require the inclusion of the original postmarked envelope to establish that the rental adjustment notice fell within the suspension period as described herein.
- 4. This resolution shall be liberally construed to provide the broadest possible protection for residents of mobile home parks in the unincorporated area of Santa Cruz County.
- 5. The County Administrative Officer, the County Counsel, and all other County officers and department heads are authorized and directed to take such other and further actions as may be necessary or appropriate to implement the intent and purpose of this resolution.

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Cruz, State of California, this 14th day of April 2020, by the following vote:

AYES: Leopold, Friend, Coonerty, McPherson, Caput

NOES: None ABSENT: None

ABSTAIN: None

DocuSigned by:

GREG CAPUT

Chair of the Board of Supervisors

ATTEST:

SUSAN GALLOWAY

Clerk of the Board

APPROVED AS TO FORM:

Ryan Thompson

Office of the County Counsel

DocuSigned by:

Clerk of the Board of Supervis

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DISTRIBUTION:

County Administrative Office

County Counsel

Mobile and Manufactured Home Commission



701 Ocean Street, Fifth Floor, Room 510 Santa Cruz, CA 95060 (831) 454-2772 Fax (831) 454-2411 TTY/TDD: 711 commissions@santacruzcounty.us www.sccmmhc.org

Scheduled Meetings

Unless otherwise specified, regularly scheduled Mobile and Manufactured Home Commission meetings are generally held as follows:

DAY: Third (3rd) Thursday

MONTH: Every other month (January, March, May, July, September, and November)

TIME: 9:30 AM – 11:00 AM

LOCATION: Simpkins Family Swim Center**

979 17th Avenue, Santa Cruz, CA 95062

Changes to the schedule, including special meetings, changes of location, or meeting cancellations, will be listed on the website at www.sccmmhc.org as soon as the information becomes available. Agendas will be posted 72 hours in advance of each meeting.

2020 MEETING DATES			
DATE	TIME	LOCATION	
January 16, 2020	9:30 – 11:00 AM	Simpkins Swim Center**	
March 19, 2020	9:30 – 11:00 AM	Canceled	
May 21, 2020	9:30 – 11:00 AM	Teleconference	
July 16, 2020	9:30 – 11:00 AM	To Be Determined	
September 17, 2020	9:30 – 11:00 AM	To Be Determined	
November 19, 2020	9:30 – 11:00 AM	To Be Determined	



701 Ocean Street, Fifth Floor, Room 510 Santa Cruz, CA 95060 (831) 454-2772 Fax (831) 454-2411 TTY/TDD: 711

531) 434-2772 FdX (631) 434-2411 1117/100. 711

commissions@santacruzcounty.us

www.sccmmhc.org

Notice of Public Meeting and Agenda

DATE: Thursday, July 16, 2020 TIME: 9:30 AM to 11:00 AM

IN RESPONSE TO THE COVID-19 PUBLIC HEALTH EMERGENCY AND PURSUANT TO THE PROVISIONS OF THE GOVERNOR'S EXECUTIVE ORDER N-29-20 ISSUED MARCH 17, 2020, THIS WILL BE A REMOTE MEETING WITH NO PHYSICAL LOCATION AVAILABLE, BUT ACCESS AND AN OPPORTUNITY TO COMMENT WILL BE PROVIDED. PLEASE DIAL-IN TO THE TELECONFERENCE WITHIN TEN MINUTES OF THE MEETING START TIME.

TELECONFERENCE INFORMATION

Phone: <u>(646)</u> 749-3117 Toll Free: <u>(866)</u> 899-4679 **Access Code:** 735-893-885

.....

- 1. Call to Order/Roll Call/Agenda Review
- 2. Approve May 21, 2020 Meeting Minutes
- 3. Public Comment

Any person may address the Commission for a period not to exceed three minutes on matters within the jurisdiction of the Commission. The Commission will not take action but may choose to follow up at a subsequent meeting. Please review the attached instructions regarding public comment participation.

- 4. New Business/Action Items
 - 4.1. Reasonable Rate of Return on Capital Improvements Recommendation
 - 4.2. CPI Adjustment Letters
 - 4.3. Space Fee Recommendation
 - 4.4. HCD Mobilehome Residency Law Protection Program Implementation
- 5. County Supervisor Report
- 6. Commissioner Reports
- 7. Central Coast Resident-Owned Parks Report
- 8. Legislative Report
- 9. County Counsel Report
- 10. Staff Report
- 11. Correspondence
- 12. Adjournment

Next Meeting Scheduled for: 9:30 to 11:00 AM on Thursday, September 17, 2020

The County of Santa Cruz does not discriminate on the basis of disability, and no person shall, by reason of a disability, be denied the benefits of its services, programs, or activities. If you are a person with a disability and require assistance to participate in the teleconference, please call (831) 454-2772 or TTY/TDD:711 at least 72 hours in advance to make arrangements.

Public Comment

Due to the Coronavirus (COVID-19) public health emergency, in-person participation at this Commission meeting is not occurring for health and safety reasons. However, you may participate in the meeting via teleconference instead of attending in-person. Dial-in information is included on meeting notices. During the meeting, your telephone line will be muted unless you have requested to make a comment <u>in advance</u>.

How to Make a Public Comment

If you would like to make a public comment, you can do so in the following two ways:

1. Email Your Public Comment

The most direct way to make a public comment is via email. Your comment will be distributed to the Commission and read aloud during the public comment segment of the meeting. If you do not want your name read aloud, please indicate so in your email. The deadline to submit a comment by email is 1 hour before the start of the meeting. Email your comment to commissions@santacruzcounty.us.

2. Make Your Public Comment via Telephone During the Meeting

If you would like to make a comment during the meeting you must submit an email request no later than 1 hour in advance of the meeting.

If you will be commenting on something not listed on the agenda:

Please email your request to commissions@santacruzcounty.us including the following information:

- Your name
- Indicate that you would like to speak during the public comment segment of the meeting.

During the public comments segment of the meeting, community members who requested to speak on topics not included on the agenda will be invited by name to speak to the Commission for a period not to exceed three minutes. Your line will be unmuted during your three minutes.

If you will be commenting on something listed on the agenda

Please email your request to commissions@santacruzcounty.us including the following information:

- Your name
- the agenda item you would like to comment on

Community members who have requested to comment on specific agenda items will be invited by name to speak after Commission discussion on each topic. Your line will be unmuted during your comment for a period not to exceed three minutes.



701 Ocean Street, Fifth Floor, Room 510, Santa Cruz, CA 95060 P: (831) 454-2772 F: (831) 454-2411 TTY/TDD: 711

commissions@santacruzcounty.us www.sccmmhc.org

MOBILE AND MANUFACTURED HOME COMMISSION MEETING MINUTES

DATE: May 21, 2020

LOCATION: Meeting held remotely

PRESENT: Jean Brocklebank (*Vice Chair - 1st District*), Henry Cleveland (*Chair - 2nd District*), David

Allenbaugh (3rdDistrict), Rick Halterman (5th District), Carol Lerno (GSMOL), Charlene Garza

(WMA)

EXCUSED: None

STAFF: Ryan Thompson (County Counsel), Angela Chesnut (1st District Analyst), Kaite McGrew

(Commissions Coordinator), Supervisor John Leopold (1st District Supervisor)

GUESTS: 1 Community Member

1. Call to Order/Roll Call/Agenda Review Meeting was convened at 9:32 AM.

2. Approve January 16, 2020 Meeting Minutes

Motion/Second: Brocklebank/Allenbaugh

Motion passed unanimously.

3. Public Comment: None

4. New Business/Action Items

4.1. Election of Officers

Allenbaugh nominated Brocklebank for Chair.

Aye: Brocklebank, Allenbaugh

Halterman nominated Cleveland for Chair.

Nay: Cleveland, Halterman, Lerno, and Garza

Aye: Cleveland, Halterman, Lerno, and Garza

Abstain: Brocklebank, Allenbaugh Cleveland is elected Commission Chair.

Allenbaugh nominated Brocklebank for Vice Chair

Brocklebank is elected Commission Vice Chair unanimously

4.2. Review Pending Legislation and Consider Authorizing Letters of Support

Commission reviewed Senate Bill 915 to provide emergency relief to mobile home owners during the pandemic.

Motion to authorize letter of support for SB-915.

Motion/Second: Brocklebank/Halterman

Ayes: Brocklebank, Cleveland, Allenbaugh, Halterman, Lerno

Nays: Garza **Motion passed.**

Commission reviewed Senate Bill 999 removing the long-term lease exemption for mobile and manufactured home space rent control in the Mobilehome Rental Law (MRL).

Motion to authorize letter of support for SB-999.

Motion/Second: Brocklebank/Halterman

Ayes: Brocklebank, Cleveland, Allenbaugh, Halterman, Lerno

Nays: Garza **Motion passed.**

4.3. Consider Commission Bylaws Revisions

Motion to revise Commission bylaws to allow for the Chair and one other Commissioner to call a special meeting at any time.

Motion/Second: Brocklebank/Garza

Motion passed unanimously.

4.4. Commission Pandemic Response

Commission discussed resident requests for rent reductions in parks with communal amenities that have been closed by the County because of the pandemic. Currently there are no clear local or state guidelines provided for reopening such communal amenities specifically in mobile home parks.

5. County Supervisor Report

Supervisor Leopold reported that the County is working towards attestation of readiness for Expanded Stage 2 of the reopening plan by: building testing capacity (12 testing centers), training additional contact tracing staff, and increasing shelter for unsheltered residents. Beach restrictions are expected to stay in place at least until Stage 3. A combination of reduced sales and transient occupancy taxes paid, increased pandemic-related expenses and the reduction of anticipated State funds will require that the County implement budget cuts.

6. Commissioner Reports

6.1. 1st District Report

Brocklebank reported that she communicated with residents from five MHPs in District 1.

6.2. 2nd District Report: No Report

6.3. 5th District Report:

Halterman reported that beginning July 1, 2020, any mobilehome/manufactured homeowner living in a mobilehome park under a rental agreement may submit a complaint to the HCD for an alleged violation of the Mobilehome Residency Law under the MRLA Protection Program. They anticipate that 60% of complaints submitted will be referred for legal consultation.

6.4. 3rd District Report:

Allenbaugh reported that several residents were able to participate in the Great Plates program.

6.5. Golden State Manufactured Homeowner's League (GSMOL) Report:

Lerno reported that there have been concerns regarding health and safety guidance in mobilehome parks, as well as from realtors trying to sell mobile homes safely.

6.6. Western Manufactured Housing Communities Association (WMA) Report:

Garza expressed concern about two petitions overturned by their respective Hearing Officers in 2019 and questioned whether they should have been referred to legal services. Staff confirmed that they do not make legal determinations on petitions before forwarding them to legal services. If the issue falls within the jurisdiction of the ordinance, a resident is entitled to legal consultation whether or not they are ultimately advised to file a petition.

- 7. Central Coast Resident-Owned Parks Report
 Cleveland reported that the May meeting focused on pandemic-related topics.
- 8. Legislative Report

Halterman reported on the following bills of interest to the mobile home community:

- SB-1117: Master meter customer: electrical or gas services: Senator Monning introduced amendments to this bill that would ensure existing consumer protections relative to electrical service provided via master-meter are explicit for tenants of MHPs regardless of whether electrical generation is provided by an entity other than an electrical corporation. It passed out of Committee on a unanimous vote and is on its way to the floor.
- AB-2690: Mobilehome parks: local ordinances: The bill removes the new construction rent
 control exemption in areas that have rent control ordinances. It passed out of Committee
 on May 20th and is on the way to the floor. If passed, the bill would place new mobile home
 parks and expansions of existing mobile home parks under the jurisdiction of local rent
 control ordinances.
- AB-2782: Mobilehome parks: change of use: Mark Stone introduced a bill that proposes to clarify and strengthen existing protections for MHP residents when a park owner seeks to close, convert, or change the use of a park by extending the timeline for noticing park residents of an appearance before a local government to consider a park closure and requiring a city or county to ensure that any change of use to a park does not lead to a loss of affordable housing for low or moderate income households. The bill passed out of Committee with a 6-2 vote on its way to the floor.
- 9. County Counsel Report:

Thompson reported on the following legal queries:

- **Pinto Lakes Update:** Oral arguments were conducted telephonically on April 28th. There is no information on the decision as of yet.
- Suspension of SCCC Chapter 13.32 Petition Hearing Process until the state of emergency has been lifted to allow residents to postpone filing petitions until it is safe to collect signatures and conduct hearings. To date only one case has been impacted.
- Clarification of Fair Rate of Return Calculations: Thompson reported that he reviewed historical documentation related to the authors' intention regarding a just and reasonable rate of return and confirmed that the ordinance remains unclear. A decision by a hearing officer could help to clarify. Garza will forward any related information she discovers.
- 10. Staff Report

Staff reported that the Board adopted the following resolutions on April 14th:

- A resolution in support of AB-2783 regarding park change of use; and
- a resolution suspending the SCCC Chapter 13.32 petition hearing process.
- 11. Correspondence: None
- 12. Adjournment

Meeting was adjourned at 10:43 AM.

Submitted by: Kaite McGrew, Commissions Coordinator

HCD Mobilehome Residency Law Protection Program

Information for Mobilehome/Manufactured Homeowners in Mobilehome Parks

Annual \$10 fee for mobilehome lots — Have you been charged an additional \$10 by park management? This fee is designed to serve mobilehome/manufactured homeowners through the Mobilehome Residency Law Protection Program. As of January 1, 2019, park management is required to pay \$10 for each mobilehome lot within their park. Park management has the option to pass this fee along to you. In the event of certain types of disputes between mobilehome/manufactured homeowners in mobilehome parks and park management, the fee funds a program to help resolve certain disputes.

When can I submit a complaint for consideration? Beginning July 1, 2020, any mobilehome/manufactured homeowner living in a mobilehome park under a rental agreement may submit a complaint for an alleged violation of the Mobilehome Residency Law.

Who can submit a complaint? Must be a mobilehome / manufactured homeowner residing in a permitted mobilehome park.

What types of complaints can be submitted for consideration? Complaints for issues within mobilehome parks related to Mobilehome Residency Law violations (California Civil Code). Common violations include illegal grounds for eviction, failure to provide proper notice of rent increases, or no written rental agreement between the park and mobilehome owner.

How do I submit my complaint? Complaints must be submitted to HCD. HCD provides assistance to help resolve and coordinate resolution of **the most severe alleged violations** of the Mobilehome Residency Law. Visit the <u>Submit a Complaint</u> page for details on ways to submit your complaint to HCD.

Please note: HCD is prohibited from arbitrating, mediating, negotiating, or providing legal advice in connection with mobilehome park rent disputes, lease or rental agreements, or disputes arising from rental or lease agreements.

How long will the program last? The Mobilehome Residency Law Protection Program is a limited-term program beginning July 1, 2020, and ending January 1, 2024 (unless the program is extended by the California Legislature).

Have a Mobilehome Residency Law question? Please visit <u>Your Rights as Mobilehome Park</u> Resident for more information.

For questions regarding the Mobilehome Residency Law Protection Program, please refer to Information Bulletin 2018-03 or email: MRLComplaint@hcd.ca.gov.



701 Ocean Street, Fifth Floor, Room 510 Santa Cruz, CA 95060 (831) 454-2772 Fax (831) 454-2411 TTY/TDD: 711 commissions@santacruzcounty.us www.sccmmhc.org

June 10, 2020

Santa Cruz County Board of Supervisors 701 Ocean Street, Room 500 Santa Cruz, CA 95060

Re: Letter Recommending Support for Senate Bill No. 915 Mobile Home Parks: Emergency Relief; Coronavirus (COVID-19)

Dear Members of the Board,

The Mobile and Manufactured Home Commission recommends that you formally support Senate Bill No. 915 (SB-915) which creates a process to protect COVID-19-impacted mobile home park residents by allowing them a greater opportunity to remain in their homes during the pandemic and for a reasonable time after.

As you are aware, some of Santa Cruz County's most vulnerable residents live in mobile home parks. Many of these residents are seniors, who may be disproportionately impacted by the COVID-19 crisis, both physically and financially. Although both state and local eviction moratoriums are currently in effect, mobile home parks are also governed by the *Mobilehome Residency Law* (MRLA), which contains elements unique to mobile homes, and which may not be covered by more general eviction moratoriums.

If enacted, SB-915 would temporarily prohibit mobile home parks from evicting residents who timely notify park management that they have been impacted, as defined, by the coronavirus (COVID-19) pandemic. It also would require mobile home parks to give such COVID-19-impacted residents at least one year to comply with demands to repay outstanding rent, utilities, or other charges, as well as up to one year to cure violations of park rules and regulations.

The Commission recommends that the Board of Supervisors formally support SB-915 and further requests that you communicate that support to our legislative delegation.

On behalf of the *Mobile and Manufactured Home Commission*, we thank you for your continued support for the Santa Cruz County mobile and manufactured home community.

Respectfully submitted,

my Clareland

Henry Cleveland

Commission Chair, Santa Cruz County Mobile and Manufactured Home Commission



County of Santa Cruz

Clerk of the Board of Supervisors

701 Ocean Street, 5th Floor, Santa Cruz, CA 95060-4073 Phone:(831) 454-2323 Fax:(831) 454-2327 TDD: call 711 www.santacruzcounty.us

July 2, 2020

Mobile and Manufactured Home Commission 701 Ocean Street Santa Cruz, CA 95060

katherine.mcgrew@santacruzcounty.us

Dear Mobile and Manufactured Home Commission:

Please be advised that, at a meeting held on June 16, 2020, the County of Santa Cruz Board of Supervisors took action on the following agenda item(s):

DOC-2020-537 Authorize the Chairman of the Board to write a letter to Senator Connie
Leyva and our legislative delegation supporting California Senate Bill (SB) 915, Mobile Home
Parks: Emergency Relief; Coronavirus (COVID-19), as recommended by Supervisor Leopold

RESULT: APPROVED BY CONSENT VOTE [UNANIMOUS]

MOVER: John Leopold, First District Supervisor

SECONDER: Ryan Coonerty, Third District Supervisor

AYES: Leopold, Friend, Coonerty, Caput, McPherson

Click on the description (blue text) above to access agenda materials for this item.

This is being forwarded to you for your information and records. Any comments or responses to this item may directed to your District Supervisor at: 701 Ocean Street, Fifth Floor, Rm 525, Santa Cruz, CA 95060. Additional information is available for viewing electronically on the County's website at http://santacruzcountyca.iqm2.com, and available for viewing in the office of the Clerk of the Board, Room 520.

Respectfully,

Susan Galloway Chief Deputy

cc: Mobile and Manufactured Home Commission, Senator Bill Monning, Senator Connie Leyva, Assemblymember Mark Stone, Assemblymember Robert Rivas, Board of Supervisors



701 Ocean Street, Fifth Floor, Room 510 Santa Cruz, CA 95060 (831) 454-2772 Fax (831) 454-2411 TTY/TDD: 711 commissions@santacruzcounty.us www.sccmmhc.org

June 10, 2020

Santa Cruz County Board of Supervisors 701 Ocean Street, Room 500 Santa Cruz, CA 95060

Re: Letter Recommending Support for Senate Bill No. 999: Local Rent Stabilization; Mobilehomes

Dear Members of the Board,

The Mobile and Manufactured Home Commission recommends that you formally support Senate Bill No. 999 (SB-999) to restore local control and help ensure rent affordability for mobile home residents by removing a state-imposed loophole in local mobilehome rent stabilization ordinances.

When California passed AB-1482 to provide rent gouging protections for renters, mobile homes were not included. This decision kept rent stabilization for mobile homes as a quasi-local control issue, with a number of state-imposed loopholes undermining local authority.

The state imposed a loophole exempting long-term leases from local mobile home rent stabilization ordinances and left long-term leaseholders with little or no protection from rental abuses. This state-imposed loophole facilitates renter coercion through the signing of predatory long-term rental agreements; a practice which can be exacerbated for non-English speaking immigrants.

In order to restore local control and ensure rent affordability for mobile home residents, SB-999 would remove sections of state law that prevent residents with long-term leases from receiving the benefits of local rent stabilization ordinances. It will not affect existing space leases (provided they were effective before January 1, 2020) until January 1, 2025, allowing mobile home park owners time to adjust to local rent stabilization provisions.

The Commission recommends that the Board of Supervisors formally support *Senate Bill No.* 999 and further requests that you communicate that support to our legislative delegation.

On behalf of the *Mobile and Manufactured Home Commission*, we thank you for your continued support for the Santa Cruz County mobile and manufactured home community.

Respectfully submitted,

enry Cleveland

Henry Cleveland

Commission Chair, Santa Cruz County Mobile and Manufactured Home Commission



County of Santa Cruz

Clerk of the Board of Supervisors

701 Ocean Street, 5th Floor, Santa Cruz, CA 95060-4073 Phone:(831) 454-2323 Fax:(831) 454-2327 TDD: call 711 www.santacruzcounty.us

July 2, 2020

Mobile and Manufactured Home Commission 701 Ocean Street Santa Cruz, CA 95060

katherine.mcgrew@santacruzcounty.us

Dear Mobile and Manufactured Home Commission:

Please be advised that, at a meeting held on June 16, 2020, the County of Santa Cruz Board of Supervisors took action on the following agenda item(s):

DOC-2020-538 Authorize the Chairman of the Board to write a letter to Senator Tom

Umberg and our legislative delegation supporting California Senate Bill (SB) 999: Local Rent
Stabilization; Mobilehomes, as recommended by Supervisor Leopold

RESULT: APPROVED BY CONSENT VOTE [UNANIMOUS]

MOVER: John Leopold, First District Supervisor

SECONDER: Ryan Coonerty, Third District Supervisor

AYES: Leopold, Friend, Coonerty, Caput, McPherson

Click on the description (blue text) above to access agenda materials for this item.

This is being forwarded to you for your information and records. Any comments or responses to this item may directed to your District Supervisor at: 701 Ocean Street, Fifth Floor, Rm 525, Santa Cruz, CA 95060. Additional information is available for

viewing electronically on the County's website at http://santacruzcountyca.iqm2.com, and available for viewing in the office of the Clerk of the Board, Room 520.

Respectfully,

Susan Galloway Chief Deputy

cc: Mobile and Manufactured Home Commission, Senator Bill Monning, Assemblymember Mark Stone, Assemblymember Robert Rivas, Board of Supervisors, Senator Tom Umberg



701 Ocean Street, Fifth Floor, Room 510 Santa Cruz, CA 95060 (831) 454-2772 Fax (831) 454-2411 TTY/TDD: 711 commissions@santacruzcounty.us www.sccmmhc.org

Scheduled Meetings

Unless otherwise specified, regularly scheduled Mobile and Manufactured Home Commission meetings are generally held as follows:

DAY: Third (3rd) Thursday

MONTH: Every other month (January, March, May, July, September, and November)

TIME: 9:30 AM – 11:00 AM

LOCATION: Simpkins Family Swim Center**

979 17th Avenue, Santa Cruz, CA 95062

Changes to the schedule, including special meetings, changes of location, or meeting cancellations, **will be listed on the website** at www.sccmmhc.org as soon as the information becomes available. Agendas will be posted 72 hours in advance of each meeting.

2020 MEETING DATES			
DATE	TIME	LOCATION	
January 16, 2020	9:30 – 11:00 AM	Simpkins Swim Center**	
March 19, 2020	9:30 – 11:00 AM	Canceled	
May 21, 2020	9:30 – 11:00 AM	Remote	
July 16, 2020	9:30 – 11:00 AM	Remote	
September 17, 2020	9:30 – 11:00 AM	To Be Determined	
November 19, 2020	9:30 – 11:00 AM	To Be Determined	



701 Ocean Street, Fifth Floor, Room 510 Santa Cruz, CA 95060

(831) 454-2772 Fax (831) 454-2411 TTY/TDD: 711

commissions@santacruzcounty.us

www.sccmmhc.org

Notice of Public Meeting and Agenda

DATE: Thursday, September 17, 2020

TIME: 9:30 AM to 11:00 AM

IN RESPONSE TO THE COVID-19 PUBLIC HEALTH EMERGENCY AND PURSUANT TO THE PROVISIONS OF THE GOVERNOR'S EXECUTIVE ORDER N-29-20 ISSUED MARCH 17, 2020, THIS WILL BE A REMOTE MEETING WITH NO PHYSICAL LOCATION AVAILABLE, BUT ACCESS AND AN OPPORTUNITY TO COMMENT WILL BE PROVIDED. PLEASE DIAL-IN TO THE TELECONFERENCE WITHIN TEN MINUTES OF THE MEETING START TIME.

TELECONFERENCE INFORMATION

Phone: <u>1 (646) 749-3129</u> Toll Free: <u>1 (877) 309-2073</u> **Access Code: 461-075-021**

- 1. Call to Order/Roll Call/Agenda Review
- 2. Approve July 16, 2020 Meeting Minutes
- 3. Public Comment

Any person may address the Commission for a period not to exceed three minutes on matters within the jurisdiction of the Commission. The Commission will not take action but may choose to follow up at a subsequent meeting.

- 4. New Business/Action Items
 - 4.1. Jan Beautz Award Nominees
- 5. County Supervisor Report
- 6. Commissioner Reports
 - 6.1. District 1 (*Brocklebank*)
 - 6.2. District 2 (Cleveland)
 - 6.3. District 3 (Allenbaugh)
 - 6.4. District 4 (Valdez)
 - 6.5. District 5 (Halterman)
 - 6.6. Golden State Manufactured Homeowners League (Lerno)
 - 6.7. Western Manufactured Housing Communities (Garza)
- 7. Central Coast Resident-Owned Parks Report
- 8. Legislative Report
- 9. County Counsel Report
- 10. Staff Report
- 11. Correspondence
- 12. Adjournment

Next Meeting Scheduled for: 9:30 to 11:00 AM on Thursday, November 19, 2020

The County of Santa Cruz does not discriminate on the basis of disability, and no person shall, by reason of a disability, be denied the benefits of its services, programs, or activities. If you are a person with a disability and require assistance to participate in the teleconference, please call (831) 454-2772 or TTY/TDD:711 at least 72 hours in advance to make arrangements.



701 Ocean Street, Fifth Floor, Room 510, Santa Cruz, CA 95060 P: (831) 454-2772 F: (831) 454-2411 TTY/TDD: 711

commissions@santacruzcounty.us www.sccmmhc.org

MOBILE AND MANUFACTURED HOME COMMISSION MEETING MINUTES

DATE: July 16, 2020

LOCATION: Meeting held remotely

PRESENT: Jean Brocklebank (Vice Chair - 1st District), Henry Cleveland (Chair - 2nd District), David

Allenbaugh (3rdDistrict), Rick Halterman (5th District), Carol Lerno (GSMOL), Charlene Garza

(WMA)

EXCUSED: None

STAFF: Justin Graham (Assistant County Counsel), Angela Chesnut (1st District Analyst), Kaite

McGrew (Commissions Coordinator)

GUESTS: 3 Community Members

1. Call to Order/Roll Call/Agenda Review Meeting was convened at 9:30 AM.

2. Approve May 21, 2020 Meeting Minutes

Motion/Second: Lerno/Brocklebank

Motion passed unanimously.

- 3. Public Comment
- 4. New Business/Action Items
 - 4.1. Reasonable Rate of Return on Capital Improvements

Commission discussed the reasonable rate of return on capital improvements and heard comment from the public. Brocklebank expressed concern that some park owners are charging 12% per year over ten years, instead of 12% total over ten years. Halterman expressed concern that changes could leave the ordinance susceptible to challenges. Garza read a written statement in support of the existing language.

Motion to retain 12% rate of return with a stipulation that it be no more than 12% total regardless of amortization period

Motion/Second: Brocklebank/Allenbaugh

Ayes: Brocklebank, Allenbaugh

Nays: Cleveland, Halterman, Lerno, Garza

Motion did not carry.

Motion to retain the 12% rate of return

Motion/Second: Garza/Halterman

Ayes: Cleveland, Allenbaugh, Halterman, Lerno, Garza

Nays: Brocklebank, **Motion passed.**

4.2. CPI Adjustment Letters

Commission reviewed 2021 CPI Adjustment Letters for RVs and Mobile/Manufactured homes.

4.3. Space Fee Recommendation

Commission discussed the 2021 Space Fee.

Motion to retain a \$38 Space Fee for 2021

Motion/Second: Brocklebank/Halterman

Motion passed unanimously.

4.4. HCD Mobilehome Residency Law Protection Program Implementation

Allenbaugh expressed concern that residents in parks with arbitration clauses included in leases may not be able to access the program. Halterman recommended that Allenbaugh consult with retired law professor Herb Rossman who may had additional detail.

5. County Supervisor Report

Chesnut confirmed that the Board of Supervisors sent letters in support of Senate Bill 999 (removing long-term lease exemption from rent control) and Senate Bill 915 (emergency relief for mobilehome owners during COVID-19 pandemic).

6. Commissioner Reports

6.1. 1st District Report

Brocklebank reported that communications are quiet and requested clarification from County Counsel at the September meeting on whether limitations are placed on sublet rental rates as described in MRLA.

6.2. 2nd District Report

Cleveland reported that a recent HCD Mobilehome Inspection Program audit revealed some shortcomings. He will report on HCD's response to the audit at an upcoming meeting. Cleveland requested that Commissioners consider nominees for the 2020 Jan Beautz Award to be discussed during the September meeting.

6.3. 5th District Report

Halterman requested that Commissioners who utilize the HCD Mobilehome Residency Law Protection Program update him on their experiences with the program.

6.4. 3rd District Report

Allenbaugh reported that residents requested a rent reduction because park amenities are not available during shelter-in-place restrictions. Park owners made a one-time \$3000 donation to the homeowners association instead.

6.5. Golden State Manufactured Homeowner's League (GSMOL) Report

Lerno reported that concerns regarding health and safety guidelines in mobilehome parks are ongoing.

6.6. Western Manufactured Housing Communities Association (WMA) Report

Garza reported on safety precautions and potential County rent payback assistance. Chesnut confirmed that this is being considered, as well as a potential extension on the eviction moratorium. Clubhouses remain closed but laundry facilities are open. Brocklebank will share information about additional HCD funding that may become available.

7. Central Coast Resident-Owned Parks Report
Cleveland reported County has reopened playgrounds and many swimming pools depending
upon their ability to meet guidelines. Clubhouses are anticipated to be the next amenities to
reopen. Liability waivers are being considered for residents to use park amenities.

8. Legislative Report

Halterman reported that the California legislature is not in session subsequent to an increase of confirmed COVID-19 cases among legislators. Anticipated reopening is July 27, 2020 and postponed bills may extend the timelines for all bills. Halterman updated the Commission on the following bills of interest to the mobile home community:

- SB-1117: Master meter customer: electrical or gas services: postponed indefinitely.
- AB-2782: Mobilehome parks: change of use: postponed indefinitely.
- **SB-915 (COVID-19 emergency relief):** Currently still scheduled for July 28th in the Assembly Housing Committee
- **SB-999 (Long-term lease exemption removed):** Currently still scheduled for July 28, 2020 in the Assembly Housing Committee
- AB-2690 (removes new construction rent control exemption in areas that have rent control ordinances: Currently scheduled for August 4, 2020.
- AB-2895 Rent Caps for Mobile Home Parks: This bill has a problematic method of calculation and does not contain a provision for park owners to ask for a prorated return.
- 9. County Counsel Report:

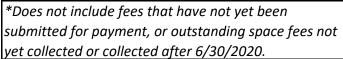
The Commission welcomed Justin Graham, Assistant County Counsel.

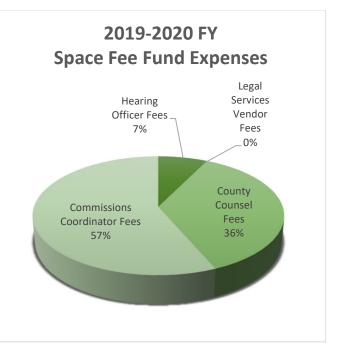
- 10. Staff Report: No Report
- 11. Correspondence: None
- 12. Adjournment

Meeting was adjourned at 10:54 AM.

Submitted by: Kaite McGrew, Commissions Coordinator

2019-2020 FY Space Fee Fund Report			
\$	98,779.08		
Deposits			
\$	71,630.00		
\$	627.00		
\$	1,967.46		
\$	73,597.46		
Expenses			
\$	3,268.75		
\$	-		
\$	16,187.50		
\$	25,257.00		
\$	44,713.25		
\$	120,633.29		
	\$ \$ \$ \$ \$ \$ \$		







701 Ocean Street, Fifth Floor, Room 510 Santa Cruz, CA 95060 (831) 454-2772 Fax (831) 454-2411 TTY/TDD: 711 commissions@santacruzcounty.us www.sccmmhc.org

Scheduled Meetings

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DAY: Third (3rd) Thursday

MONTH: Every other month (January, March, May, July, September, and November)

TIME: 9:30 AM – 11:00 AM

LOCATION: Simpkins Family Swim Center**

979 17th Avenue, Santa Cruz, CA 95062

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2020 MEETING DATES			
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January 16, 2020	9:30 – 11:00 AM	Simpkins Swim Center**	
March 19, 2020	9:30 – 11:00 AM	Canceled	
May 21, 2020	9:30 – 11:00 AM	Remote	
July 16, 2020	9:30 – 11:00 AM	Remote	
September 17, 2020	9:30 – 11:00 AM	Remote	
November 19, 2020	9:30 – 11:00 AM	Remote	



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Notice of Public Meeting and Agenda

DATE: Thursday, November 19, 2020

TIME: 9:30 AM to 11:00 AM

IN RESPONSE TO THE COVID-19 PUBLIC HEALTH EMERGENCY AND PURSUANT TO THE PROVISIONS OF THE GOVERNOR'S EXECUTIVE ORDER N-29-20 ISSUED MARCH 17, 2020, THIS WILL BE A REMOTE MEETING WITH NO PHYSICAL LOCATION AVAILABLE, BUT ACCESS AND AN OPPORTUNITY TO COMMENT WILL BE PROVIDED.

VIRTUAL MEETING INFORMATION

TO JOIN BY VIDEO: https://zoom.us/join

OR TO JOIN BY PHONE ONLY: +1 (669) 900-6833 (San Jose)

Meeting ID: 961-1737-0560

Passcode: 1850

- 1. Call to Order/Roll Call/Agenda Review
- 2. Approve September 17, 2020 Meeting Minutes
- 3. Public Comment: Any person may address the Commission for a period not to exceed three minutes on matters within the jurisdiction of the Commission. The Commission will not take action but may choose to follow up at a subsequent meeting.
- 4. New Business/Action Items
 - 4.1. 2020 Jan Beautz Award Recipient
- 5. County Supervisor Report
- 6. Commissioner Reports
 - 6.1. District 1 (Brocklebank)
 - 6.2. District 2 (Cleveland)
 - 6.3. District 3 (Allenbaugh)
 - 6.4. District 4 (Valdez)
 - 6.5. District 5 (Halterman)
 - 6.6. Golden State Manufactured Homeowners League (Lerno)
 - 6.7. Western Manufactured Housing Communities (Garza)
- 7. Central Coast Resident-Owned Parks Report
- 8. Legislative Report
- 9. County Counsel Report
- 10. Staff Report
- 11. Correspondence
- 12. Adjournment

Next Meeting Scheduled for: 9:30 to 11:00 AM on Thursday, January 21, 2021

The County of Santa Cruz does not discriminate on the basis of disability, and no person shall, by reason of a disability, be denied the benefits of its services, programs, or activities. If you are a person with a disability and require assistance to participate in the virtual meeting please call (831) 454-2772 or TTY/TDD:711 at least 72 hours in advance to make arrangements.



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commissions@santacruzcounty.us www.sccmmhc.org

MOBILE AND MANUFACTURED HOME COMMISSION MEETING MINUTES

DATE: September 17, 2020 LOCATION: Meeting held remotely

PRESENT: Jean Brocklebank (*Vice Chair - 1st District*), Henry Cleveland (*Chair - 2nd District*), David

Allenbaugh (3rdDistrict), Richard Valdez (4th District), Rick Halterman (5th District), Carol

Lerno (GSMOL), Charlene Garza (WMA)

EXCUSED: None

STAFF: Justin Graham (Assistant County Counsel), John Leopold (1st District Supervisor), Kaite

McGrew (Commissions Coordinator)

GUESTS: 3 Community Members

1. Call to Order/Roll Call/Agenda Review Meeting was convened at 9:30 AM.

2. Approve July 16, 2020 Meeting Minutes

Motion/Second: Lerno/Allenbaugh Motion passed unanimously.

3. Public Comment

4. New Business/Action Items

4.1. Jan Beautz Nominees

Commission discussed several possible nominees for the second annual Jan Beautz Award. Halterman nominated Jerry Bowles, a long-time advocate for resident-owned parks and resource to the mobilehome community. Staff will work with Supervisor Leopold and Commission Chairs to draft a certificate for presentation at the November meeting.

Motion to present the 2020 Jan Beautz Award to advocate Jerry Bowles

Motion/Second: Brocklebank/Allenbaugh

Motion passed unanimously.

- 5. County Supervisor Report
 - 5.1. Supervisor Leopold reported that the County is working hard to increase COVID-19 testing and contact tracing to contain the virus. No increase in confirmed cases has occurred related to recent evacuations and the County's COVID-related status continues to improve. New guidelines reflecting the improvement have been released and some restrictions for schools and skilled nursing facilities have been lifted.
 - 5.2. The CZU Lightening Complex fires are the most destructive disaster in County history and the 10th most destructive fire event in the history of California. More than 900 homes were destroyed, and the county is developing an expedited recovery strategy. Geologists are already working to address the potential for hazardous debris flow during the coming rainy season.

- 5.3. Supervisor Leopold has been working with residents and park management to address ongoing issues at Soquel Gardens MHP.
- 5.4. Provision of Cruzio high-speed internet to eight MHPs via grant funding is ongoing.
- 5.5. Plans to increase affordable housing are focused on the development of multi-story projects which provide more housing density than new mobile home parks could.

6. Commissioner Reports

6.1. 1st District Report

Brocklebank reported that she has been in communication with residents for issues at Soquel Gardens, Snug Harbor, Ranchito, Pine Knoll Manor, Homestead, Beach Comber and Shoreline mobile home parks.

6.2. 3rd District Report

Allenbaugh reported that HCD has been conducting inspections. Commission discussed conditions under which pre-existing violations could be a new owner's responsibility.

6.3. 4th District Report

Commission welcomed 4th District Commissioner Richard Valdez.

6.4. 5th District Report

Halterman reported on the status of the Mobilehome Residency Law Protection Program. Brocklebank reported that a resident in Soquel Gardens is using the program. No information was available about the status of the District 5 mobile home parks in the wake of the CZU Lightening Complex fires.

6.5. 2nd District Report

Cleveland reported on a recent HCD park inspections audit that revealed discrepancies including issues with notification protocols, inspector training, and the frequency of inspections. Park owners bear some responsibility to ensure compliance if other efforts have failed. Cleveland will forward information to the Commission regarding an online event discussing new mobile home legislation. Commission expressed a preference for providing video access to members of the public who attend meetings if possible.

- 6.6. Golden State Manufactured Homeowner's League (GSMOL) Report: No Report
- 6.7. Western Manufactured Housing Communities Association (WMA) Report
 Garza reported that the WMA is developing policies and processes in compliance with new
 mobile home legislation. Increasingly, mobile home insurance carriers are refusing to insure
 parks in California and the State may have to intervene if there are not enough carriers to
 meet the demand. Garza reported on recovery efforts and insurance barriers for mobile
 home residents and parks in the wake of previous fire events.
- 7. Central Coast Resident-Owned Parks Report

Cleveland reported that amenities in resident-owned parks are beginning to open up, and new protocols are being evaluated and implemented as needed.

8. Legislative Report

Halterman updated the Commission on the following bills of interest to the mobile home community:

• SB-1117: Master meter customer: electrical or gas services: passed legislation but awaits the Governor's signature

- **SB-999 (Long-term lease exemption removed):** Bill did not pass in the Assembly and was incorporated into AB-2782
- AB-2782: Mobilehome parks: change of use: Now includes language from SB-999 specifying
 dates by which long-term leases will no longer be exempt from local rent control,
 depending upon the date they were signed.
- AB-2690 (removes new construction rent control exemption in areas that have rent control ordinances: postponed indefinitely.
- SB-915 COVID-19 Relief: eliminated in favor of other similar legislation already in effect.
- AB-2895 Rent Caps for Mobile Home Parks: pulled from committee indefinitely.
- 9. County Counsel Report:
 - 9.1. Graham reported that the current competing crises have delayed progress in the Pinto Lakes matter for several months at least.
 - 9.2. Graham confirmed Ryan Thompson's earlier statement that MRLA preempts 13.34.
 - 9.3. Graham will follow-up on a potential typographical error in the sample calculation provided in 13.32.
 - 9.4. Allowable processes for public participation in future virtual meetings after the state of emergency has been lifted are yet to be determined.

10. Staff Report:

- 10.1. Staff reported that County resources for managing virtual meetings are limited by County policy as well as available staff resources and gave an overview of alternatives that might serve to allow public video access to Commission meetings.
- 10.2. 99.8% of 2020 space fees have been collected. \$627 in fees remain outstanding.
- 10.3. Commission reviewed the 2019-2020 FY Space Fee Fund Report which does not yet reflect expenses for legal services provided to residents during the 2019-2020 FY as the vendor has not yet submitted invoices. Graham will determine whether more detail on County Counsel expenses is available.
- 10.4. Creighton Mendivil has retired from Senior Citizens Legal Services and new Executive Director and Directing Attorney, Tanya Ridino, will be providing legal services to mobile home residents who are referred via the petition hearing process.
- 11. Correspondence: None
- 12. Adjournment

Meeting was adjourned at 11:01 AM.

Submitted by: Kaite McGrew, Commissions Coordinator



701 Ocean Street, Fifth Floor, Room 510 Santa Cruz, CA 95060 (831) 454-2772 Fax (831) 454-2411 TTY/TDD: 711

commissions@santacruzcounty.us

www.sccmmhc.org

November 19, 2020

Jerry Bowles 300 Plum Street, Sp. 111 Capitola, CA 95010

RE: Letter of Commendation for Outstanding Service to the Mobile and Manufactured Home Community

Dear Jerry,

The Santa Cruz County Mobile and Manufactured Home Commission (MMHC) would like to commend you for your outstanding service and significant contributions to the Santa Cruz County mobile and manufactured home community.

Because you have been an effective voice and key strategist for manufactured and mobile home park residents for many years, the Commission has designated you the second annual recipient of the Jan Beautz Award for Outstanding Service to the Mobile and Manufactured Home Community.

We acknowledge your longstanding service as a resource to the County on behalf of mobile and manufactured home residents. As an advisor to both the MMHC and the Board of Supervisors, you provided insight on key legislation impacting the mobile and manufactured home community and connected the community with resources from around the state. While serving on the *Advisory Council to the Assessor of Santa Cruz County*, you advised the Council regarding issues related to mobilehome park property tax.

Throughout the years, you have consistently inspired residents of investor-owned parks and supported their efforts to convert to resident-owned communities. While you served as Chairperson for the *Brookvale Terrace Property Owners Association Board*, you were instrumental in the park's successful conversion. You went on to present to and consult with residents of other investor-owned parks on matters related to their own resident-ownership conversions. In 1998, you founded the *Santa Cruz County Resident-Owned Parks Group* to organize local resident-owned parks and served as Chair. You went on to serve as *Vice President for Resident-Owned Communities* on the *Golden State Manufactured-Home Owner's League (GSMOL)* volunteer Board of Directors.

Today, you continue to serve and inspire the community on the Board of Directors for the *Educational Community for Homeowners* (ECHO), a non-profit corporation dedicated to assisting California homeowners associations with financial and legal issues, insurance, maintenance, and management. The impact of your contributions to the betterment of the mobile and manufactured community in Santa Cruz County is so far-reaching as to be incalculable.

Therefore, on behalf of the *Santa Cruz County Mobile and Manufactured Home Commission*, we hereby express our sincere appreciation and gratitude to you for your commitment to advancing the interests of mobile and manufactured home residents in Santa Cruz County and ensuring that their voices continue to be heard.

Respectfully,

Henry Cleveland

Commission Chair

Jean Brocklebank

Commission Vice Chair

cc: Santa Cruz County Board of Supervisors





701 Ocean Street, Fifth Floor, Room 510 Santa Cruz, CA 95060 (831) 454-2772 Fax (831) 454-2411 TTY/TDD: 711 commissions@santacruzcounty.us www.sccmmhc.org

Scheduled Meetings

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DAY: Third (3rd) Thursday

MONTH: Every other month (January, March, May, July, September, and November)

TIME: 9:30 AM – 11:00 AM

LOCATION: Simpkins Family Swim Center (unless meeting is held remotely)**

979 17th Avenue, Santa Cruz, CA 95062

Changes to the schedule, including special meetings, changes of location, or meeting cancellations, **will be listed on the website** at www.sccmmhc.org as soon as the information becomes available. Agendas will be posted 72 hours in advance of each meeting.

2021 MEETING DATES			
DATE	TIME	LOCATION	
January 21, 2021	9:30 – 11:00 AM	Remote	
March 18, 2021	9:30 – 11:00 AM	Remote	
May 20, 2021	9:30 – 11:00 AM	To Be Determined	
July 15, 2021	9:30 – 11:00 AM	To Be Determined	
September 16, 2021	9:30 – 11:00 AM	To Be Determined	
November 18, 2021	9:30 – 11:00 AM	To Be Determined	