

**Mobile Home Park
Rent Stabilization Ordinance
User's Guide**



City of Calistoga

I. INTRODUCTION

The City of Calistoga (“City”) adopted a Mobile Home Park Rent Stabilization Ordinance in 1995 in recognition of the important contribution mobile homes provide to the affordable housing stock and senior housing in the City. In 2007, the City amended the Mobile Home Park Rent Stabilization Ordinance when it adopted Ordinance No. 644 (“Ordinance”) to better serve the affected parties. The purpose of the Ordinance is to “stabilize mobile home park space rents” to, among other things, “[p]revent exploitation of the shortage of vacant mobile home park spaces,” “[p]revent excessive and unreasonable . . . rent increases,” and “[r]ectify the disparity of bargaining power” between park owners and mobile home park residents (“homeowners”).

The City based the Ordinance in part on the findings that:

- Homeowners in mobile home parks, unlike apartment tenants or residents of other rental properties, are in a unique position in that they have made a substantial investment in a residence for which space is rented or leased;
- Relocation of a mobile home from a park space is generally accomplished at substantial cost and comes with risk of damaging the home;
- Mobile homes provide an important alternative form of housing; and
- Potential rent increases could cause a hardship to a substantial number of homeowners, most of whom are elderly, on fixed incomes, or persons of low income.

The City also found it “necessary to protect mobile home homeowners . . . from unreasonable rent increases and at the same time recognize the rights of mobile home park owners to maintain their property and to receive just and reasonable return on their investments.”¹

The purpose of this User’s Guide is to provide a short and easy to understand explanation of the key portions of the 22-page Ordinance. **This guide is neither exhaustive nor formally adopted by the City, and therefore should not be considered to have any legal weight.** This User’s Guide should be used in conjunction with the actual Ordinance.

¹ Chapter 2.22 of the Calistoga Municipal Code, the Mobile Home Park Rent Stabilization Ordinance (the “Ordinance”) § 2.22.010(B).

II. WHICH RENTAL AGREEMENTS ARE COVERED UNDER THE ORDINANCE?

The Ordinance applies to all mobile home park spaces within the City **except** in the following circumstances:

- A homeowner signs a rental agreement for a mobile home park space that lasts longer than 12 months;²
- The mobile home space first became available for rent after 1/1/1990;³
- A homeowner signs a rental agreement for both a mobile home space *and* a mobile home that is provided by the park owner.⁴

III. WHEN CAN MY RENT BE AUTOMATICALLY INCREASED?

The rent of a mobile home space can be automatically increased when:

- The space becomes lawfully vacant because the homeowner voluntarily removes his/her mobile home from the mobile home space or the tenancy is lawfully terminated by the management;⁵
- On the Anniversary Date, the rent may be automatically increased by **the lesser** of: (1) 100 percent of the percent change in the Consumer Price Index (“CPI”), or (2) six percent of the base rent.⁶ Rent cannot be automatically raised more than one time within a 12-month period.⁷

The park owner must provide written notice of a rent increase at least 90 days before it is scheduled to take effect.⁸

² Ordinance § 2.22.030(A).

³ Ordinance § 2.22.030(A).

⁴ Ordinance § 2.22.020(Q).

⁵ Ordinance § 2.22.050. In the absence of a lawful vacancy, a park owner is prohibited from raising rent upon a sale of a mobile home on site to a tenant-to-be or current tenant.

⁶ Ordinance § 2.22.070(A). The definitions of “Anniversary Date” and “Consumer Price Index” can be found on pages 6 and 7 of this User’s Guide.

⁷ Ordinance § 2.22.070(A).

⁸ Ordinance § 2.22.070(F).

IV. CAN MY RENT BE INCREASED IN ANY OTHER CIRCUMSTANCES?

- The park owner may request a rent increase more than once within a 12-month period when the park owner can clearly establish that the additional rent increase is necessary to cover unforeseen costs of operation, maintenance, capital improvements or substantial rehabilitation, subject to mandatory mediation.⁹
- The park owner may request a rent increase of more than the automatic amount but less than 300 percent of the percent change in the CPI, subject to mandatory mediation.¹⁰
- The park owner may request a rent increase of 300 percent or more of the percent change in CPI, subject to mandatory arbitration.¹¹

The park owner must provide written notice of the rent increase at least 90 days before it is scheduled to take effect.¹²

If the park owner requests more than one rent increase within a 12-month period or a rent increase of more than the automatic amount described above, the park owner must also provide notice to the Administrator¹³ and each affected homeowner that contains at least the following information:

1. The amount of the proposed rent increase and its justification(s);
2. Specific financial details about the mobile home park's costs, debts, and income, which must either be verified by an auditor or certified public accountant, or certified as true by the park owner under penalty of perjury;
3. A list of all affected homeowners and spaces;
4. Contact information for the Administrator;
5. Time and place for a mandatory informational meeting with the affected homeowners, which shall be held within 10 days from the service of the notice of rent increase.

⁹ Ordinance § 2.22.070(B)

¹⁰ Ordinance § 2.22.070(C)

¹¹ Ordinance § 2.22.070(D)

¹² Ordinance § 2.22.070(F)

¹³ Ordinance § 2.22.080. The definition of "Administrator" can be found on page 6 of this User's Guide.

V. WHAT HAPPENS AT MEDIATION?

Where the Ordinance requires mandatory mediation, the mediation meeting shall be held within 20 days from the service of the notice of rent increase. The mediation meeting is intended to encourage the parties to work out any differences they might have about the proposed rent increase.

If both sides agree to a specific rent increase, then the Mediator¹⁴ will create a mediation statement setting forth the terms of the agreement and file the statement with the Administrator.

VI. WHAT HAPPENS AT ARBITRATION?

If mediation fails to resolve a rent increase dispute, the homeowners or their representatives may file a petition for arbitration with the Administrator. In addition, the Ordinance requires automatic arbitration if the park owner seeks a rent increase of 300 percent or more of the percent change in the CPI or if there is a disagreement about whether a homeowner lawfully vacated a mobile home park space.¹⁵

A. Petition for Arbitration

A petition for arbitration must include: (1) the total number of affected rented spaces, (2) the name of the homeowner who occupies each affected space, and (3) the date that the notice of rent increase was received by the homeowner.¹⁶

The petition must be signed by at least 51 percent of all affected homeowners and delivered within 30 days of receiving the rent increase notice to the Administrator at Calistoga City Hall, 1232 Washington Street, Calistoga, California 94515.¹⁷

After accepting the petition, the Administrator will send questionnaires to both the park owner and the homeowners. The questionnaires must be returned to the Administrator at least five business days prior to the arbitration.¹⁸

B. Arbitration Procedures¹⁹

In the event of an automatic arbitration or receipt of a petition for arbitration, the Administrator will assign an Arbitrator within 15 business days.²⁰ The

¹⁴ The definition of “Mediator” can be found on page 7 of this User’s Guide.

¹⁵ Ordinance § 2.22.090(F)

¹⁶ Ordinance § 2.22.090(D)

¹⁷ Ordinance § 2.22.090(C) and (D)

¹⁸ Ordinance § 2.22.090(E)

¹⁹ Ordinance § 2.22.090(G)

Administrator will set a date for the arbitration hearing no sooner than 10 nor later than 30 business days after the Arbitrator is assigned, immediately notifying in writing all affected parties.

At the arbitration hearing, the park owner and homeowners may appear and offer oral and documentary evidence. The parties may designate a representative, including an attorney if they so choose, to appear for them at the hearing.

Within 14 days of the conclusion of the hearing, the Arbitrator will mail a written decision and reasons for the decision to the Administrator. The Administrator will mail copies of the decision to the park owner and the affected homeowners. The decision of the Arbitrator will be final and binding.

The Ordinance intends for the entire mediation and arbitration process to be completed within 90 days of the initial notice of the rent increase.²¹ However, the Administrator or Arbitrator may modify the time periods set forth in the Ordinance.

VII. WHO PAYS FOR THE ADMINISTRATION OF THE ORDINANCE?

The administrative costs of administering the Ordinance, including the costs of mediation and arbitration, are paid by the City through an annual fee for each mobile home space that is charged to the park owner.²² The annual fee to cover the administrative costs is established by City Council Resolution and, as of 2017, is \$20 per year per eligible mobile home park space. The Ordinance allows the park owner to pass through 50% of the annual fee to the affected homeowners.²³

VIII. WHERE CAN I GET MORE INFORMATION?

A copy of the full Ordinance is available on the City's website at:

<http://www.ci.calistoga.ca.us/city-hall/departments-services/planning-building-department/mobile-home-parks>

Questions can be directed to (707) 942-2827 or plans@ci.calistoga.ca.us.

²⁰ The definition of "Arbitrator" can be found on page 6 of this User's Guide.

²¹ Ordinance § 2.22.090(G)

²² Ordinance § 2.22.190

²³ Ordinance § 2.22.190(E)

IX. DEFINITIONS

The Ordinance includes definitions for a number of terms. The definitions referenced in this Guide are listed here. Please refer to the Ordinance for the complete list of definitions.

- **Administrator:** The Administrator of the City’s Mobile Home Space Rent Stabilization Program. The “Administrator” is the Planning & Building Director, or such other City employee as the City Manager may, in the City Manager’s discretion, appoint to serve as Administrator.²⁴
- **Anniversary Date:** The Anniversary Date for all rent increases in a mobile home park shall be established by City Council Resolution at a public hearing. All affected parties shall be notified in writing 30 days prior to the hearing. The park owner must post the anniversary date in the park office or office areas where it can easily be seen by the homeowners.²⁵

Mobile Home Park	Anniversary Date
Calistoga Springs	April 1
Chateau Calistoga MHP	June 1
Fairway Manor	September 1
Rancho de Calistoga	November 1

- **Arbitrator:** An Arbitrator must meet one of the following three criteria, as determined by the Administrator: (1) is a lawyer who is formally trained in arbitration and has the knowledge and skills to conduct a space rent dispute arbitration in a professional and successful manner; (2) has completed at least three arbitration proceedings for a Superior Court or other public entity that involved similar issues; or (3) has previously served as a California Municipal or Superior Court pro tempore judge. In addition, an Arbitrator cannot be a homeowner or have an interest in a mobile home park of a nature that would require disqualification under the provisions of the Political Reform Act if the person were an elected State official.²⁶
- **Consumer Price Index (“CPI”):** “The Consumer Price Index for all Urban Consumers in the San Francisco-Oakland Area, published by the U.S. Department of Labor, Bureau of Labor Statistics.”²⁷ **“Percent change in**

²⁴ Ordinance § 2.22.020(A)

²⁵ Ordinance § 2.22.060

²⁶ Ordinance § 2.22.020(C)

²⁷ Ordinance § 2.22.020(G)

Consumer Price Index” is the annual percent change in the CPI, calculated to the nearest tenth, published for the month of April, issued in the month of May. In the event that an index is not published for the month of April, the closest preceding month for which an index is published shall be used.²⁸

- **Mediator:** A Mediator must satisfy one of the following four criteria, as determined by the Administrator: (1) Member of the American Arbitration Association that has specific experience in mediating real estate matters; (2) is a lawyer who is formally trained in mediation or arbitration and has the knowledge and skills to conduct a space rent dispute mediation in a professional and successful manner; (3) has completed at least three mediation proceedings for a Superior Court or other public entity that involved similar issues; or (4) has previously served as a California Municipal or Superior Court pro tempore judge. In addition, a Mediator cannot be a homeowner or have an interest in a mobile home park of a nature that would require disqualification under the provisions of the Political Reform Act if the person were an elected State official.²⁹

²⁸ Ordinance § 2.22.020(V)

²⁹ Ordinance § 2.22.020(L)