

CITY OF OCEANSIDE
CITY ATTORNEY'S IMPARTIAL ANALYSIS
PROPOSITION E

EXISTING LAW: The Oceanside City Code currently limits the amount of rent that a mobilehome park owner may charge for most spaces in a park that are leased to tenants who own their mobilehomes. The City's rent control ordinance establishes a space rent ceiling for spaces subject to the ordinance. There are several ways that the space rent ceiling may be increased. A park owner is entitled to an annual permissive increase in gross space rent income equal to the lesser of 8 percent or 75 percent of the consumer price index for the calendar year in which the application is filed.

If a park owner believes the annual permissive increase does not provide a just and reasonable return on the owner's investment in the park, the owner may file an application for an alternative adjustment of the space rent ceiling based on the park owner's net operating income ("NOI"), calculated from the park's gross income less operating expenses. The park owner also has the option to file a special adjustment application if the owner believes the annual permissive and/or NOI adjustments do not provide a just and reasonable return. Finally, a park owner may file an application to increase rents to pass through to the residents of the park government assessments related to the operation of the park.

Decisions on applications to increase rents in parks are made by the City's Manufactured Home Fair Practices Commission ("Commission") after a public hearing. The Commission's decisions may be appealed to an independent hearing officer.

THE PROPOSAL: If approved by the electorate, the proposed amendment to the Oceanside City Code will allow a park owner, following a change in ownership of a manufactured home that is on a rented space, to set space rents without regard to the City's rent control ordinance. Following a change in ownership of the manufactured home, the City would have no say in the amount of rent a park owner could charge for that space. However, park owners would not be able to increase rents for the following changes in ownership: (1) a sale or conveyance following a divorce where the purchasing spouse was a lawful tenant at the time of the sale or conveyance; (2) a sale or conveyance to a spouse or child following the death of the owner of the manufactured home if the spouse or child was a lawful tenant at the time of death of the owner; (3) a conveyance of an interest in the manufactured home to provide security for a loan provided there is no change in tenancy in the manufactured home; and (4) a sale or conveyance associated with the replacement of a manufactured home provided there is no change in tenancy in the manufactured home.

A "YES" vote is a vote in favor of the proposed ordinance amendment which will phase out rent control over time.

A "NO" vote is a vote against the proposed ordinance amendment and in favor of retaining the existing rent control ordinance.