

DATE: November 5, 2009

TO: Chairman and Members of the Manufactured Home Fair Practices Commission

FROM: Neighborhood Services Department

SUBJECT: SEPARATION OF WATER FROM SPACE RENT FOR SANDY SHORES TRAILER PARK

SYNOPSIS

Staff recommends that the Manufactured Home Fair Practices Commission adopt a resolution approving the separation of water from space rent in Sandy Shores Trailer Park conditioned upon the park's owner's installation of water sub-meters; provision of notice to residents that utilities will be separately billed; and, submission to City staff proof of installation of sub-meters and notice to residents, as well as data showing the amount paid for water for the 12-month period preceding the notice to residents.

BACKGROUND

The California Mobilehome Residency Law (Civil Code 798.41) states that parks may elect to bill a homeowner separately for utility service fees and charges assessed by the utility for services provided to or for spaces in the park. The law also requires that for spaces regulated under a local rent control provision, the park must simultaneously reduce rents by an amount equal to the average amount charged to the park management for that utility service for that space during the twelve months immediately preceding notice of the commencement of the separate billing for that utility service.

ANALYSIS

Sandy Shores Trailer Park filed an application to separate water from space rent on September 10, 2009.

The park is requesting to separate the cost of water from the current space rents after water sub-meters are installed for each mobile home space. The park owner has advised the residents that water fees will be paid by the park until sub-meters are installed, the residents are notified in advance, and rents are rolled back to an amount equal to a twelve month average of water fees.

FISCAL IMPACT

The fiscal impact will not be known until water sub-meters are installed for each mobile home space and residents are provided notice that water will be separately billed. Rents will be reduced by an amount equal to the average amount charged to the park management for water for that space during the twelve months immediately preceding notice of the commencement of the separate billing for that utility service.

CONCLUSION

Staff recommends that the Manufactured Home Fair Practices Commission adopt a resolution approving the separation of water from space rent in Sandy Shores Trailer Park, according to the following findings and decision.

FINDINGS

- A) The subject park is within the jurisdiction of the City.
- B) The park owner has notified the residents that the park will pay for water until:
 - (i) the water sub-meters are installed for each mobile home space, (ii) the residents are provided an advance notice of the separate billing for water, and (iii) rents are decreased by an amount equal to a twelve month average of water fees.

DECISION

- 1. The park is authorized to separate the water from the space rent conditioned upon the park owner's
 - a) Installing water sub-meters for each mobile home space,
 - b) Providing notice to residents that utilities will be separately billed
 - c) Submitting to City staff proof of installation of sub-meters and notice to residents, and
 - d) Submitting to City staff documentation of the amount paid for water for the 12-month period preceding notice to the residents.
- 2. Upon making the determination that the park owner has completed the above conditions, City staff shall calculate the rent reductions based on the water charges for the 12-month period preceding notice to the residents and provide notice to owner and residents of the new authorized space rent ceiling for each space in the park.
- 3. The base rent for water shall not exceed the amount established by the City.
- 4. No rents or other charges shall be imposed upon the month-to-month regulated spaces, other than those charges approved by the Commission.

5. Nothing herein shall authorize any increase or change in any rent or other charge imposed on the residents not in compliance with State Law.

PREPARED BY:

SUBMITTED BY:

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