



DATE: May 6, 2009

TO: Honorable Mayor and City Councilmembers

FROM: Neighborhood Services Department

SUBJECT: **ADOPTION OF A RESOLUTION INCREASING REGISTRATION FEES FOR THE MOBILE HOME RENT CONTROL PROGRAM**

SYNOPSIS

Staff recommends that the City Council adopt a resolution increasing registration fees to \$132.34 per space, per year, for November 12, 2009 through November 11, 2010 (2010 registrations); authorizing park owners to pass through to park residents the first \$67.68 per space of the park's annual registration fee for 2010 registrations; providing for an annual increase in the registration fee equal to the lesser of an 8 percent increase or an increase equal to 75 percent of the percentage increase in the Consumer Price Index (CPI) for the calendar year prior to the year in which the registration is due as reported by the Bureau of Labor Statistics beginning with the 2011 registrations; authorizing park owners to pass through half of any increase in the registration fee beginning with the 2011 registrations; authorizing park owners to pay the registration fee in twelve equal payments; and requiring park owners, who opt to pass through the annual fee, to bill the park residents in twelve equal payments.

BACKGROUND

The Manufactured Home Fair Practices (MHFP) Ordinance was originally adopted by the Oceanside City Council on September 12, 1984, and was codified as Chapter 16B of the Oceanside City Code. The space rent limitations provided by the ordinance became effective January 1, 1985. On November 13, 1991, the Council adopted a Resolution establishing the registration fee at \$54.04 per space, per year. The resolution stated that \$28.60 of the registration fee may be passed through from park owners to park residents. All mobile home park owners in the City of Oceanside must register their parks annually with the Commission no later than November 12th of each year.

ANALYSIS

Section 16.6 (a) permits the City Council to establish a registration fee to recover the administrative costs of the program. The registration fee is intended to defray costs associated with the administration of Chapter 16B, except those costs associated with Net Operating Income (NOI) and special adjustment hearings. In addition, Section 16B.6 (b) allows the park owners to pass through the first \$28.60 per space, per year of the registration fee, and only permits the pass through of additional amounts of registration fee subject to a City Council resolution.

Staff recommends the establishment of the registration fee at \$132.34 per space, per year, for the period November 12, 2009, through November 11, 2010 (the time period for the annual registrations for 2010). In addition, staff recommends that the City Council allow the park owners to pass through the first \$67.68 per space of the park's annual registration fee, allow park owners to pay the registration fee in twelve equal payments, and require park owners, who opt to pass through the annual fee of \$67.68, to divide the amount into twelve equal payments. Thus, the initial monthly amount that park owners may pass through is \$5.64.

The fee increase is necessary due to increased administrative legal expenses and staff costs. The fee has not been raised in more than 17 years. Current annual registration fees total approximately \$122,000. Staff estimates that registration fees will be paid on 2,250 regulated spaces. The estimated proposed registration fees would total \$297,765 ($\$132.34 \times 2,250$).

Staff recommends that the registration fee for the period November 12, 2009, through November 11, 2010, be set at \$132.34 per space per year. In addition, it is recommended that registration fees increase annually at a rate equal to the lesser of an 8 percent increase or an increase equal to 75 percent of the percentage increase in the CPI for the calendar year prior to the year in which the registration is due as reported by the Bureau of Labor Statistics. The park owner would be authorized to pass through half of the increase in the registration fee. If the increase in the fee results in an uneven number, the increase shall be rounded down.

For example, if the CPI for Calendar Year 2009 is 4 percent, the registration fee for the following year, November 12, 2010, through November 11, 2011, would be \$136.30. ($4\% \times 0.75 = 3\%$; $3\% \text{ of } \$132.34 = \3.97) The resulting increase of \$3.97 would be rounded down to \$3.96; the new registration fee would be \$136.30 ($\$132.34 + \$3.96 = \136.30). Park owners would be authorized to pass through half, \$1.98, of the increase; the total pass through allowed would be \$69.64 ($\$67.68 + \$1.98 = \69.64)

FISCAL IMPACT

The proposed increase in the registration fee will be sufficient to offset the costs of administering the Mobile Home Rent Control Program. The total costs of administering the program are estimated to be \$297,765 for Fiscal Year 2008-09. The new registration fee is proposed to be \$132.34 per space, per year, for the period November 12, 2009, through November 11, 2010. The registration fee will increase each year based on the CPI formula.

COMMISSION OR COMMITTEE REPORT

At its April 13, 2009, meeting, the Manufactured Home Fair Practices Commission recommended that the City Council adopt a resolution establishing registration fees of \$132.34 per space; authorizing park owners to pass through to park residents the first \$67.68 per space of the park's annual registration fee for 2010 registrations; providing for

an annual increase in the registration fee equal to the lesser of an 8 percent increase or an increase equal to 75 percent of the percentage increase in the Consumer Price Index (CPI) for the calendar year prior to the year in which the registration is due as reported by the Bureau of Labor Statistics beginning with the 2011 registrations; authorizing park owners to pass through half of any increase in the registration fee beginning with the 2011 registrations; authorizing park owners to pay the registration fees in twelve equal payments; and requiring park owners, who opt to pass through the annual fee, to bill the park residents in twelve equal payments.

CITY ATTORNEY’S ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

RECOMMENDATION

Staff recommends that the City Council adopt a resolution increasing registration fees to \$132.34 per space, per year, for November 12, 2009 through November 11, 2010 (2010 registrations); authorizing park owners to pass through to park residents the first \$67.68 per space of the park’s annual registration fee for 2010 registrations; providing for an annual increase in the registration fee equal to the lesser of an 8 percent increase or an increase equal to 75 percent of the percentage increase in the Consumer Price Index (CPI) for the calendar year prior to the year in which the registration is due as reported by the Bureau of Labor Statistics beginning with the 2011 registrations; authorizing park owners to pass through half of any increase in the registration fee beginning with the 2011 registrations; authorizing park owners to pay the registration fees in twelve equal payments; and requiring park owners, who opt to pass through the annual fee, to bill the park residents in twelve equal payments.

PREPARED BY:



Angela Hanifin
Housing Program Manager

SUBMITTED BY:



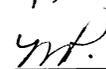
Peter A. Weiss
City Manager

REVIEWED BY:

Michelle Skaggs Lawrence, Deputy City Manager



Margery M. Pierce, Director, Neighborhood Services



1 RESOLUTION NO. _____

2 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
3 OCEANSIDE INCREASING REGISTRATION FEES FOR THE
4 MOBILE HOME RENT CONTROL PROGRAM

5 WHEREAS, on November 13, 1991, the City Council adopted Ordinance No. 091-51
6 amending various provisions of Chapters 16B and 16C of the City Code (Manufactured Home
7 Fair Practices Ordinance);

8 WHEREAS, Section 16B.6. (a) permits the City Council to establish by resolution a
9 registration fee to be paid to the City by manufactured home park owners for each regulated
10 space;

11 WHEREAS, Section 16B.6. (f) states that the registration fee is intended to defray costs
12 associated with the administration of Chapter 16B, except those associated with NOI (Net
13 Operating Income) and special adjustment hearings;

14 WHEREAS, Section 16B.6. (b) allows park owners to pass through to park residents the
15 first \$28.60 per space, per year of the registration fee, and permits the pass-through of any
16 additional amounts of registration fee only by City Council resolution;

17 WHEREAS, Section 16.B.6. (c) provides for a late fee of \$1.00 per space, per month if
18 the registration fee is not paid within the time frames indicated by resolution;

19 WHEREAS, the City Council adopted Resolution 91-323 on December 18, 1991
20 establishing the registration fee at \$54.04 per space, per year, a late fee, and setting the due date
21 for fees as November 12th of each year; and

22 WHEREAS, the costs associated with the administration of Chapter 16B have risen
23 significantly since the current registration fee was established in 1991.

24 NOW, THEREFORE, the City Council of the City of Oceanside does resolve as follows:

25 SECTION 1. The registration fee for the Mobile Home Rent Control Program is
26 established at \$132.34 per space, per year, except for such spaces that are subject to a space
27 rental agreement that meets the requirements of Civil Code section 798.17. The fee may be
28 paid by the park owners in twelve equal monthly installments, the first of which shall be due no

1 later than November 12th of each year.

2 SECTION 2. For Fiscal Year 2009-10, park owners may pass through to park residents
3 \$67.68 of the registration fee, per applicable space.

4 SECTION 3. Beginning with the registration fees due November 12, 2010, the fee shall
5 increase annually in an amount equal to the lesser of an 8 percent increase or an increase equal
6 to 75 percent of the percentage increase in the Consumer Price Index for the calendar year prior
7 to the year in which the registration is due as reported by the Bureau of Labor Statistics. Fees
8 resulting in an uneven amount shall be rounded down by one cent.

9 SECTION 4. Half of any increase in the registration fee beginning with the registration
10 fees due November 12, 2010, may be passed through from park owners to park residents. Park
11 owners opting to pass through the increased registration fees to park residents shall bill the park
12 resident's share in twelve equal payments.

13 PASSED AND ADOPTED by the City Council of the City of Oceanside, California,
14 this _____ day of _____, 2009, by the following vote:

15
16 AYES:

17 NAYS:

18 ABSENT:

19 ABSTAIN:
20

21 _____
22 MAYOR OF THE CITY OF OCEANSIDE

23 ATTEST:

24 APPROVED AS TO FORM:

25 _____
26 City Clerk

27 
28 City Attorney