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**DATE:** April 5, 2012

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

**FROM:** Neighborhood Services Department

**SUBJECT:** ADOPTION OF RESOLUTIONS APPROVING THE 2012 SPACE RENT CEILINGS FOR SANDY SHORE TRAILER PARK

**SYNOPSIS**

Staff recommends that the Manufactured Home Fair Practices Commission adopt a resolution approving the 2012 Space Rent Ceilings for Sandy Shore Trailer Park.

**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.

Sandy Shore Trailer Park entered into a three-year Park Rent Schedule, which expired May 31, 1995. After that date, the park did not request an Annual Permissive Adjustment (APA) until 2006, for the rent ceilings to be effective July 1, 2007. The park has requested an APA for subsequent years through the current year. However, the park has not raised the rents in the park to the rent ceilings approved by the Commission. During preparation of the allowable rent amounts for the period beginning July 1, 2012, staff became aware that the rent ceilings approved by the Commission to be effective July 1, 2011 were incorrect; they were based on the lower amounts charged by the park.

**ANALYSIS**

The exhibit for Sandy Shore Trailer Park now accurately reflects the rent ceilings approved by the Commission. The Annual Permissive Adjustment percentages for 2007 through 2012 were applied to the approved rents in the Park Rent Schedule that expired in 1995.

An Annual Permissive Adjustment application for Sandy Shore Trailer Park was received by the City Clerk on October 27, 2011. The application was declared complete by staff on March 8, 2012.

The current space rent ceiling is the rent authorized by this Commission for the park owners to collect through June 30, 2012. The Ordinance provides that park owners are entitled to an annual permissive adjustment of gross space rent equal to the lesser of 8 percent or 75 percent of the percentage increase in the Consumer Price Index (CPI) for the applicable calendar year. The Consumer Price Index (CPI) percentage increase reported by the Bureau of Labor Statistics for all items for San Diego County in 2011 is 3.0 percent. Pursuant to the Ordinance, the lesser of 8% or 75% of the percentage increase in the CPI shall be the factor for calculating the Annual Permissive Adjustment (75% of 3.0% = 2.25%). Therefore, 2.25 percent is the factor for calculating the Annual Permissive Adjustment effective July 1, 2012.

### FISCAL IMPACT

If approved by the Commission, the Annual Permissive Adjustment will result in an increase of 2.25 percent per space, per month, for all regulated spaces.

### CONCLUSION

Staff recommends that the Manufactured Home Fair Practices Commission adopt resolutions approving the 2012 Space Rent Ceilings for all regulated spaces in Sandy Shore Trailer Park, according to the following findings and decision.

### FINDINGS:

- A) Sandy Shore Trailer Park is within the jurisdiction of the City.
- B) Sandy Shore Trailer Park has registered as required by the Ordinance.
- C) The percentage increase for the purpose of calculating the Annual Permissive Adjustment is 2.25 percent.

### DECISION

1. The space rent per month for all non-exempt spaces shall be increased by 2.25 percent effective July 1, 2012.
2. No rent increase shall be effective unless and until the park is in compliance with all the requirements of Chapter 16B of the Oceanside City Code, including passing a health and safety inspection conducted by the City Building Department and the park owner's issuance of a 90-day notice to residents regarding the rent increase.

3. 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:**

  
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