



DATE: April 4, 2013

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

FROM: Neighborhood Services Department

SUBJECT: ADOPTION OF A RESOLUTION APPROVING THE ANNUAL PERMISSIVE RENT ADJUSTMENTS FOR 1994 THROUGH 2006 FOR SANDY SHORE TRAILER PARK

SYNOPSIS

Staff recommends that the Manufactured Home Fair Practices Commission adopt a resolution approving an annual permissive adjustment for 1994 through 2006 for Sandy Shore Trailer Park.

BACKGROUND

The Manufactured Home Fair Practices 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. The owner of Sandy Shore Trailer Park registered the park for 1994 through 2006.

ANALYSIS:

On August 6, 2012, the park owner submitted Annual Permissive Adjustment (APA) Applications for 1994-2006. The park was approved for an Annual Permissive Adjustment effective July 1, 2012. The ordinance authorizes one APA annually. Therefore, the park is not eligible to receive the retroactive APA until July 1, 2013.

A park rent schedule was previously approved by the commission. The park rent schedule commenced on June 1, 1992 and terminated on May 31, 1995. Therefore, the park was eligible to apply for one month, June 1995, of the APA

adjustment for the 1994-95 period. The CPI for 1994 was 2.2%. The APA for 1994 was 1.65%. One month of the APA adjustment is 0.14%.

The total adjustment factor for the past twelve years and one month (1994-2006) is 29.48% (.14% + 1.95% + 1.125% + 1.95% + 1.275% + 1.5% + 2.63% + 4.35% + 3.6% + 2.62% + 2.78% + 2.78% + 2.78%= 29.48%), which is calculated separately for each year, and the calculation is compounded.

The total of Consumer Price Index (CPI) percentage increases reported by the Bureau of Labor Statistics for San Diego County for 1994 (1 month) to 2006 is 39.28%. Pursuant to the Ordinance, the lesser of 8% or 75% of the percentage increase in the CPI is the factor for calculating the Annual Permissive Adjustment, (75% of CPI for each year, 1994-2006, has been less than 8%). Sandy Shore Trailer Park is eligible to apply and receive the missed Annual Permissive Adjustments, and is entitled to implement collection of the new rent, subject to the park passing the required health and safety inspection. Although the rents may be adjusted accordingly, the missed rent increases may not be collected retroactively.

The park owner previously submitted Annual Permissive Adjustment (APA) applications for 2007-2012. The space rent ceilings were increased for that period. The park has also submitted an APA application for 2013.

FISCAL IMPACT

If approved by the Commission, the Annual Permissive Adjustment will result in an increase of 29.48% per space, per month, for all regulated spaces and there shall be no retroactive payment recovery for the years 1994 through 2006.

CONCLUSION

Staff recommends that the Manufactured Home Fair Practices Commission adopt a resolution approving the Annual Permissive Adjustments for 1994 through 2006 for all regulated spaces in Sandy Shore Trailer Park, according to the following findings and decision.

FINDINGS:

- A) The subject park is within the jurisdiction of the City.
- B) The Park has registered as required by the Ordinance.
- C) Total of the percentages for the increase for the purpose of calculating the Annual Permissive Adjustments for 1994 through 2006 is 29.48%.

DECISION:

1. The space rent per month for all month-to-month spaces shall be increased by 29.48% effective July 1, 2013.
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:



ANGELA HANIFIN
Housing Program Manager

SUBMITTED BY:



MARGERY M. PIERCE,
Director of Neighborhood
Services