



DATE: April 2, 2015

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 ADJUSTMENT FOR 2014 FOR ROYAL PALMS TRAILER PARK

SYNOPSIS

Staff recommends that the Manufactured Home Fair Practices Commission adopt a resolution approving an annual permissive adjustment for 2014 for Royal Palms 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. The owner of Royal Palms Trailer Park registered the park for 2014.

ANALYSIS

The subject park is located in the City and is subject to the Ordinance. An Annual Permissive Adjustment application for 2014 for Royal Palms Trailer Park was filed with the City Clerk and declared complete by staff on March 5, 2015. The park has 15 spaces and 13 spaces are under rent control.

The current space rent ceiling is the rent authorized by this Commission for the park owner to collect through June 30, 2014. The proposed increase will be effective July 1, 2015. 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 2013 was 1.3 percent. Pursuant to the Ordinance, the lesser of 8% or 75% of the percentage increase in the CPI (75% of 1.3% = 0.98%) is the factor for calculating the Annual Permissive Adjustment.

Therefore, the percentage increase for the purpose of calculating the Annual Permissive Adjustment for 2014 is 0.98 percent.

The resolution provides as follows:

1. The space rent ceiling per month for all non-exempt spaces shall be increased by 0.98 percent effective July 1, 2015.
2. No rent increase shall be effective at any given park 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.

FISCAL IMPACT

If approved by the Commission, the Annual Permissive Adjustment will result in a monthly rent increase of 0.98 percent per space for all regulated spaces in Royal Palms Trailer Park.

CONCLUSION

Staff recommends that the Manufactured Home Fair Practices Commission adopt a resolution approving an annual permissive adjustment for 2014 for Royal Palms Trailer Park.

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