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## **[ Mobilehome Parks and Mobilehome Space Tenancies in Marina ]**

This report was commissioned by the City of Marina. The opinions and conclusions herein are those of the authors and do not necessarily represent the views of the City.

## SUMMARY

The City has five mobilehome parks with a total of 399 mobilehomes. These homes are nearly evenly divided between singlewides and doublewides. The sizes of parks are similar, ranging from 61 to 99 spaces.

Average space rents in the parks range from \$349 to \$608 per month. Apart from space rents, mobilehome owners pay for utility costs, which in most parks include water, sewer, and trash costs, as well as gas and electricity. These costs are typically in the range of \$100 per month. Also, mobilehome owners pay property taxes and have insurance costs.

Long term residents typically paid prices in the range of \$20,000 to \$40,000 for their homes. Residents who have moved in since 2000 have paid an average of \$95,000 for their mobilehomes. The majority of mobilehomes were manufactured before 1980. However, 27% were manufactured since 2000.

The mobilehome park owner-mobilehome owner landlord-tenant relationship is not a market relationship in the conventional sense. Mobilehome owners have homes which as a practical matter are “immobile”, and therefore, they have no bargaining power as long as they desire to retain their mobilehomes or recover their investments in their mobilehomes. Current rent levels vary among the parks and may be considered reasonable or unreasonable depending on what standard of reasonableness is used. However, in any case, mobilehome owners have no security against exceptional rent increases in the future. Since mobilehomes are “immobile”, conventional market deterrents to exceptional increases in space rents are undercut by the fact a substantial portion or virtually all of the value of a mobilehome may be capitalized into the rents for the underlying land.

Exceptional rent increases can lead to a situation in which mobilehome owners cannot afford to remain in their mobilehomes and/or lose most of the value of their mobilehomes.

A substantial portion of the mobilehome owner households are low income. 33% of the households have an annual income of less than \$20,000. 28% have an annual income between \$20,000 and \$29,999.

A substantial portion (60%) of the mobilehome occupants are senior citizens.

A substantial portion of the mobilehome owner households have housing cost burdens in excess of federal affordability standards (30% of income). This phenomenon is standard among low-income households in all types of housing.

Consistent with trends in house prices (but not consistent with trends in apartment rents), since 2002 rent increases in the mobilehome parks have substantially exceeded the percentage increase in the CPI. In four of the five parks, rent increases have exceeded 40% compared to a 16% increase in the CPI. In one park, rents have increased by 64% during this period.

## **The Authors**

Kenneth Baar has a Ph.D in urban planning and is an attorney. Dorina Pojani has a Master's degree in urban planning.

Baar has researched and published extensively on housing policy and other public policy issues. His publications have been cited frequently by California Courts of Appeal and the State Supreme Court.

He has served as a consultant to the following cities on issues related to mobilehome park space rents: Azusa, Capitola, Carpinteria, Carson, Ceres, Citrus Heights, Clovis, Cotati, Escondido, Fremont, Fresno, Healdsburg, Milpitas, Modesto, Montclair, Oceanside, Palmdale, Palm Desert, Riverbank, Rohnert Park, Salinas, San Marcos, Santa Rosa, Santa Cruz County, Santee, Simi Valley, Sonoma, Vallejo, Ventura, Watsonville, and Yucaipa.

His curriculum vitae is attached as an Appendix to this report.

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## **I. Introduction**

Within the City of Marina, there are five mobilehome parks with 399 mobilehome spaces. The parks range in size from 61 to 99 spaces.

The purpose of this study is to provide information and analysis about mobilehome park residents and mobilehome park space rentals in the City of Marina in order to assist the City in considering policies in regards to mobilehome parks and mobilehome park tenancies.

This report provides information about the mobilehome owners and trends in rents, mobilehome prices in the parks which are privately owned.

The study is largely based on:

1. Information contained in responses from 276 households and five park managers to a mail survey.
2. Mobilehome sales data from 1997 through 2008 obtained from a private service which compiles sales data from sales reports supplied to the California Dept. of Housing and Community Development.

## **II. The Special Nature of the Parkowner-Mobilehome Owner Relationship**

At the expense of reciting information that is commonly but far from universally known, an introductory explanation of the nature of the parkowner-mobilehome owner relationship is essential in order to provide a perspective on the information and analysis provided in this report.

As a practical reality, mobilehomes that are placed in mobilehome parks are actually “immobilehomes”. They are prefabricated homes, that generally are comparable in size to apartments or small houses. A substantial portion of all mobilehomes are “doublewide” structures that consist of two 10 or 12 foot wide sections that are joined together when they are installed on a lot on top of a simple foundation. Mobilehomes are rarely moved after they are placed in mobilehome parks. When mobilehome park residents move they sell their mobilehomes in place.<sup>1</sup>

Special characteristics of mobilehome park tenancies in urban areas generally include the following:

1. The “historical” investments of the mobilehome owner (tenants) in mobilehomes in mobilehome parks generally exceed those of the landlord parkowners.

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<sup>1</sup> For background see Hirsch, “Legal - Economic Analysis of Rent Controls in a Mobile Home Context: Placement Values and Vacancy Decontrol”, 35 UCLA Law Review 399-466 (1988); and Baar, “The Right to Sell the ‘Im’mobile Manufactured Home in Its Rent Controlled Space in the ‘Im’mobile Home Park: Valid Regulation or Unconstitutional Taking?”, Urban Lawyer Vol. 24, 107-171 (Winter 1992, American Bar Ass’n)

2. The physical relocation of mobilehomes is costly.
3. Relocation within metropolitan areas is practically impossible because there are virtually no vacant spaces in mobilehome parks.<sup>2</sup>
4. Parkowners generally will not permit older mobilehomes to be moved into their parks when they do have vacant spaces for rent.
5. The supply of mobilehome park spaces in urban areas in California is either frozen or declining. Mobilehome park construction in urbanized areas of California virtually ceased by the early 1980's as alternative land uses became more profitable and land use policies continually tightened restrictions on the construction of new mobilehome parks.

The investments of mobilehome park residents in their mobilehomes are “sunk” costs. The benefits of these investments can only be realized by continuing occupancy in the mobilehome or by an “in-place” sale of the mobilehome.

In 2001, the California Supreme Court explained:

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<sup>2</sup> Exceptions to this pattern occur when there are exceptional increases in space rents, and mobilehome owners, unable to afford the increases, abandon their mobilehomes creating vacancies in parks.

**BACKGROUND:  
THE MOBILEHOME OWNER/MOBILEHOME PARK OWNER RELATIONSHIP**

This case concerns the application of a mobilehome rent control ordinance, and some background on the unique situation of the mobilehome owner in his or her relationship to the mobilehome park owner may be useful. "The term 'mobile home' is somewhat misleading. Mobile homes are largely immobile as a practical matter, because the cost of moving one is often a significant fraction of the value of the mobile home itself. They are generally placed permanently in parks; once in place, only about 1 in every 100 mobile homes is ever moved. [Citation.] A mobile home owner typically rents a plot of land, called a 'pad,' from the owner of a mobile home park. The park owner provides private roads within the park, common facilities such as washing machines or a swimming pool, and often utilities. The mobile home owner often invests in site-specific improvements such as a driveway, steps, walkways, porches, or landscaping. When the mobile home owner wishes to move, the mobile home is usually sold in place, and the purchaser continues to rent the pad on which the mobile home is located." (Yee v. Escondido (1992) 503 U.S. 519, 523, 112 S.Ct. 1522, 118 L.Ed.2d 153.) Thus, unlike the usual tenant, the mobilehome owner generally makes a substantial investment in the home and its appurtenances - typically a greater investment in his or her space than the mobilehome park owner. [cite omitted] The immobility of the mobilehome, the investment of the mobilehome owner, and restriction on mobilehome spaces, has sometimes led to what has been perceived as an economic imbalance of power in favor of mobilehome park owners.<sup>3</sup>

Court opinions and academic reviews have repeatedly noted the captive nature of mobilehome park tenancies. For example, in one case the Florida Supreme Court concluded that mobilehome owners face an "absence of meaningful choice" when their space rents are increased:

Where a rent increase by a park owner is a unilateral act, imposed across the board on all tenants and imposed after the initial rental agreement has been entered into, park residents have little choice but to accept the increase. They must accept it or, in many cases, sell their homes or undertake the considerable expense and burden of uprooting and moving. The "absence of meaningful choice" for these residents, who find the rent increased after their mobile homes have become affixed to the land, serves to meet the class action requirement of procedural unconscionability.<sup>4</sup>

In 1994, a federal district court in California stated:

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<sup>3</sup> Galland v. Clovis, 24 Cal.4th. 1003, 1009-1010 (2001)

<sup>4</sup> Lanca Homeowners, Inc. v. Lantana Cascade of Palm Beach, Ltd., 541 So. 2d 1121, 1124 (Fla.), cert. denied, 493 U.S. 964 (1989)

Mobile homes, despite their name, are not really mobile. Once placed in a park few are moved. This is principally due to the cost of moving a coach which is often equal to or greater than the value of the coach itself. Also, many mobile home parks will not accept older coaches so that after a time, the coach may be rendered effectively immobile... the park owner, absent regulation, theoretically has the power to exact a premium from the tenant who, as a practical matter, cannot move the coach.<sup>5</sup>

In response to the special situation of mobilehome park residents, California has adopted a set of landlord-tenant laws which provide special protections for mobilehome park tenants. In addition, approximately one hundred jurisdictions in California have adopted some type of rent control of mobilehome park spaces. Typically the rent control ordinances tie annual allowable rent increases to the percentage increase in the Consumer Price Index (CPI)-all items. Most of the ordinances do not permit additional rent increases (vacancy decontrol) when a mobilehome is sold in place. Under all ordinances, park owners are entitled to petition for additional rent increases in order to obtain a fair return.

### **III. The Supply of Mobilehome Park Spaces**

In California, currently, there are approximately 374,000 spaces in about 5,700 mobilehome parks.<sup>6</sup> Monterey County has 45 mobilehome parks with 20 or more spaces. These parks contain a total of 3640 mobilehome spaces. Santa Cruz County has 100 parks with 20 or more spaces. They contain 11,990 mobilehome spaces. mobilehome parks. Santa Clara County has 101 mobilehome parks with 20 or more spaces; they contain 18,140 spaces.

Mobilehome park construction virtually ceased in urban areas in California by 1980. In Marina all of the mobilehome parks were constructed between 1958 and 1965.

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<sup>5</sup> Adamson Companies v. City of Malibu, 854 F.Supp. 1476, 1481 (1994, U.S.D.C. Central Dist. Cal.)

<sup>6</sup> Source for data in this section: Disc produced by the State Department of Housing and Community Development.



## Mobilehome Parks within the City of Marina

Park Name	Year Opened	Address	No. of Spaces	Type of mobilehome		
				Single Wide	Double Wide	Triple Wide
Cypress Square	1961	347 Carmel Ave.	87	8	76	3
El Camino	Early 60's	3320 Del Monte Blvd.	61	14	47	0
El Rancho	1958	356 Reservation Rd	99	78	18	0
Lazy Wheel	1965	304 Carmel Ave.	69	46	29	0
Marina del Mar	1958	3128 Crescent Ave.	83	58	24	1
<b>Total</b>			<b>399</b>	<b>204</b>	<b>194</b>	<b>4</b>

\* Source: Survey of park managers.

### IV. Resident Survey

#### A. The Number and Distribution of Survey Responses

As a part of this study, a mail survey of mobilehome owners was conducted. This survey included questions about when mobilehome owners moved into their mobilehomes, the size of their mobilehome, the rent at the time of moving in and the current rent, the ages and employment or retirement status of household members, the income of the household, and the cost and financing of the purchase of the mobilehome.

Responses were received from the residents of 276 mobilehome spaces, 73% of the spaces in the City. The response rates from all of the parks exceeded 60%.

#### B. Household Size

About half of the households are single person households and another 31% are two person households. 18% of the households have three or more persons.

#### Household Size

Household Size	Pct. of Households
1	51%
2	31%
3	7%
4 or more	11%

The average household size reported by survey respondents was 1.83 persons. Based on this average, the total number of mobilehome park residents in the City is estimated to be about 730 persons.<sup>7</sup>

### C. Age

More than half of the residents in the respondent households are 60 years old or older. 12% are 18 years old or younger.

In terms of household composition, in 62% of the households, all members were 60 years old or older. 15% of the households include children (18 years old and younger).

<b>Age</b>	<b>Percentage of Residents</b>
<b>18 and under</b>	<b>12%</b>
<b>19-39</b>	<b>13%</b>
<b>40-59</b>	<b>21%</b>
<b>60-69</b>	<b>23%</b>
<b>70-96</b>	<b>31%</b>

This distribution contrasts with some cities, where most of the parks have only seniors.

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<sup>7</sup> The number of residents has been estimated by multiplying the approximate number of occupied mobilehome park spaces in the City by 1.83.

## D. Length of Tenancy in Mobilehome Park

Approximately half of the households moved into their mobilehomes since 2000. 28% moved into their mobilehomes in the 1990's and 23% moved in before 1990.

**Year Household Moved into Mobilehome Park**

<b>Year Household Moved into Park</b>	<b>Percentage of Households</b>
<b>Before 1990</b>	<b>23%</b>
<b>1990-1999</b>	<b>28%</b>
<b>2000-2004</b>	<b>25%</b>
<b>2005-2008</b>	<b>24%</b>

## E. Prior Residence

### 1. Type of Dwelling

58% of the respondents were renters in houses or apartments prior to moving into their current residences. 28% of the respondents had owned their own houses or condominiums.

39% of the former homeowners (25 out of 65 respondents) were very low income (under \$20,000/year). Approximately 6% of the respondents (15 respondents) had lived in other mobilehome parks. Two respondents indicated that they had been homeless prior to moving into their mobilehome.

**Type of Dwelling prior to moving into Mobilehome Park**

<b>Prior Residence Type of Dwelling</b>	<b>Percentage of Households</b>
<b>rented apartment</b>	<b>37%</b>
<b>rented house</b>	<b>21%</b>
<b>owned home</b>	<b>28%*</b>
<b>mobilehome in other mobilehome park</b>	<b>6%</b>
<b>Other (living with family, RV, military housing, room rental, live-in caregiver)</b>	<b>10%</b>

\*Includes two percent condominium owners

## 2. Location of Prior Residence

94% of the respondents were already California residents prior to moving into the mobilehome park; only 15 respondents had come from out of state. 28% of the respondents already were Marina residents prior to moving into the mobilehome park. 79% of the respondents were already residents of Monterey County.

## F. Employment or Retired Status

Two thirds of the adults in the respondent households are not working, and less than a quarter are working fulltime.

### Employment or Retirement Status of Mobilehome Park Residents

Employment or Retirement Status	Percentage of Residents
working full-time	23%
working part-time	11%
not working	26%
Retired	40%

Furthermore in one third of the households none of the members are employed.

### Overall Household Employment or Retirement Status Mobilehome Park Households

Employment or Retirement Status	Percentage of Households
one or more persons working fulltime	23%
no one working fulltime, one or more persons working part-time	44%
all persons retired or not working	33%

## G. Household Income Levels

The survey included a question about household income levels, including social security benefits of the households. 89% of the survey responses included an answer to this inquiry.

### Survey question:

**What was the total income of your household in 2007 before taxes? (please include income from all sources including social security, pension, interest, dividends, and any public assistance)**

One third of all households reported that their income was under \$20,000. In 28% of the households, the income level was between \$20,000 and \$29,999.

**Mobilehome Owners  
Household Income Levels**

<b>Income Category</b>	<b>All Households</b>
<b>under \$15,000</b>	<b>23%</b>
<b>\$15,000-\$19,999</b>	<b>10%</b>
<b>\$20,000 - \$29,999</b>	<b>28%</b>
<b>\$30,000 - \$39,999</b>	<b>18%</b>
<b>\$40,000 +</b>	<b>21%</b>

In comparison, in 2008, the income ceilings for classified as “very low” income under federal HUD standards (50% of Area Median income or under) are \$22,700 for one person households and \$25,900 for two person households. The income ceilings for households classified as “extremely low” income (30% of Area Median Income or under) are \$13,600 for one person households and \$15,500 for two person households.<sup>8</sup>

In half of the households where all the members were at least 70 years old (38 households) the household income was under \$20,000.

Mobilehome owners who purchased their homes after 2000 (half of the respondents) have higher incomes than the mobilehome owners who purchased their homes before 2000.

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<sup>8</sup> See HUD “FY 2008 Income Limits” published on HUD’s web page

### Household Income Pre and Post 2000 Purchasers

Household Income Category	Purchased MH before 2000	Purchased MH in 2000 or after
under \$20,000	43%	24%
\$20,000-\$39,999	45%	45%
over \$40,000	12%	31%

## H. Characteristics of Mobilehomes

### 1. Size

About half of the mobilehomes have one section (singlewide) and the other half have two sections (doublewide).

Forty percent of the mobilehomes are over 900 square feet, the size of a two bedroom house.

### Square Footage of Mobilehomes<sup>9</sup>

Size of Mobilehome (sq. feet)	Pct. of Mobilehomes
under 600	18%
600-899	41%
900-1,199	18%
1,200-1,600	23%

### 2. Age of Mobilehomes

As is typical in mobilehome parks most of the mobilehomes were manufactured about the time that the park opened and have been sold in place. Approximately half of the mobilehomes were manufactured before 1980, in the 1960s and 1970s. Less than a quarter were manufactured in the 1980s and 1990s. About one quarter were manufactured since 2000. Usually, these homes replaced other mobilehomes on the same spaces.

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<sup>9</sup> Square footage calculations were made by multiplying the information on the dimensions of mobilehomes that was provided by residents in their responses to the survey questionnaire.

### Age of Mobilehomes

Year Mfd.	Pct. of Mobilehomes
before 1970	22%
1970-1979	29%
1980-1989	9%
1990-1999	13%
2000 and after	27%

## V. Mobilehome Purchases Prices and Terms

As indicated, data on mobilehome purchases prices was obtained from the resident survey and from Santiago financial.

Typically long term owners paid from \$20,000 to \$40,000 for their mobilehomes, while recent purchasers have typically paid \$80,000 or more for their homes. About half the respondents purchased their mobilehomes before 2000, and the other half purchased their mobilehomes in 2000 or after. The mobilehomes purchased before 2000 cost \$28,514 in average while the mobilehomes purchased in 2000 or after cost \$95,063 in average.

### A. Data Obtained from Resident Survey

All of the respondents, except one, indicated that they own their mobilehomes. 23% invested more than \$100,000. The investments of mobilehome owners varied substantially depending on the park where the mobilehome was located, when the home was purchased, when the mobilehome was manufactured, and the size of the mobilehome.

### Mobilehome Purchase Prices (Resident Survey)

Price*	Pct. of Total
under \$20,000	21%
\$20,000-\$39,999	25%
\$40,000-\$59,999	17%
\$60,000-\$99,999	14%
\$100,000-\$230,000	23%

\*Two respondents indicated that they had obtained their mobilehome for free.

**Mobilehome Purchase Prices by Mobilehome Type  
(Resident Survey)**

<b>Type</b>	<b>Pct. of Mobilehomes</b>	<b>Average Purchase Price</b>
<b>Single-wide</b>	<b>50%</b>	<b>\$34,213</b>
<b>Double-wide</b>	<b>50%</b>	<b>\$87,343</b>

**Mobilehome Purchase Prices by Year of Manufacture  
(Resident Survey)**

<b>Year of Manufacture</b>	<b>Pct. of Mobilehomes</b>	<b>Average Purchase Price</b>
<b>before 1970</b>	<b>22%</b>	<b>\$27,553</b>
<b>1970-1979</b>	<b>29%</b>	<b>\$29,326</b>
<b>1980-1989</b>	<b>9%</b>	<b>\$51,700</b>
<b>1990-1999</b>	<b>13%</b>	<b>\$62,966</b>
<b>2000-present</b>	<b>27%</b>	<b>\$125,936</b>

**Mobilehome Purchase Prices by Year of Purchase  
Resident Survey**

<b>Year of Purchase</b>	<b>Pct. of Respondents</b>	<b>Average Purchase Price</b>
<b>before 1990</b>	<b>23%</b>	<b>\$26,114</b>
<b>1990-1999</b>	<b>28%</b>	<b>\$30,322</b>
<b>2000-2004</b>	<b>25%</b>	<b>\$86,639</b>
<b>2005-present</b>	<b>24%</b>	<b>\$102,795</b>



**Mobilehome Purchase Prices by Park  
Resident Survey**

<b>Park</b>	<b>Average Purchase Price</b>
<b>Cypress Square</b>	<b>\$90,673</b>
<b>El Camino</b>	<b>\$77,541</b>
<b>El Rancho</b>	<b>\$38,618</b>
<b>Lazy Wheel</b>	<b>\$61,713</b>
<b>Marina del Mar</b>	<b>\$37,166</b>

**Purchase Prices for Mobilehomes Manufactured before 1990  
(Resident Survey)\***

<b>Move-in Year Type</b>	<b>all</b>	<b>before 1990</b>	<b>1990-1999</b>	<b>2000-2004</b>	<b>2005-present</b>
<b>Single-wide</b>	<b>\$25,027</b>	<b>\$21,124</b> [29]	<b>\$16,215</b> [28]	<b>\$27,875</b> [11]	<b>\$46,249</b> [14]
<b>Double-wide</b>	<b>\$43,305</b>	<b>\$30,375</b> [19]	<b>\$38,707</b> [23]	<b>\$62,313</b> [8]	<b>\$67,000</b> [6]

\* The number of responses is indicated in parenthesis.

\*\* No responses were received for triple-wide mobilehomes.

**Purchase Prices for Mobilehomes Manufactured after 2000  
(Resident Survey)\***

<b>Move-in Year Type**</b>	<b>all</b>	<b>2000-2004</b>	<b>2005-present</b>
<b>Single-wide</b>	<b>\$58,453</b> [31]***	<b>\$63,538</b> [9]	<b>\$75,760</b> [8]
<b>Double-wide</b>	<b>\$129,687</b> [59]	<b>\$126,935</b> [25]	<b>\$147,776</b> [28]

\* The number of responses is indicated in parenthesis.

\*\* Only one response was received for triple-wide mobilehomes, reporting a purchase price of \$225,000.

\*\*\* Some residents reported the purchase price but not the move-in date.

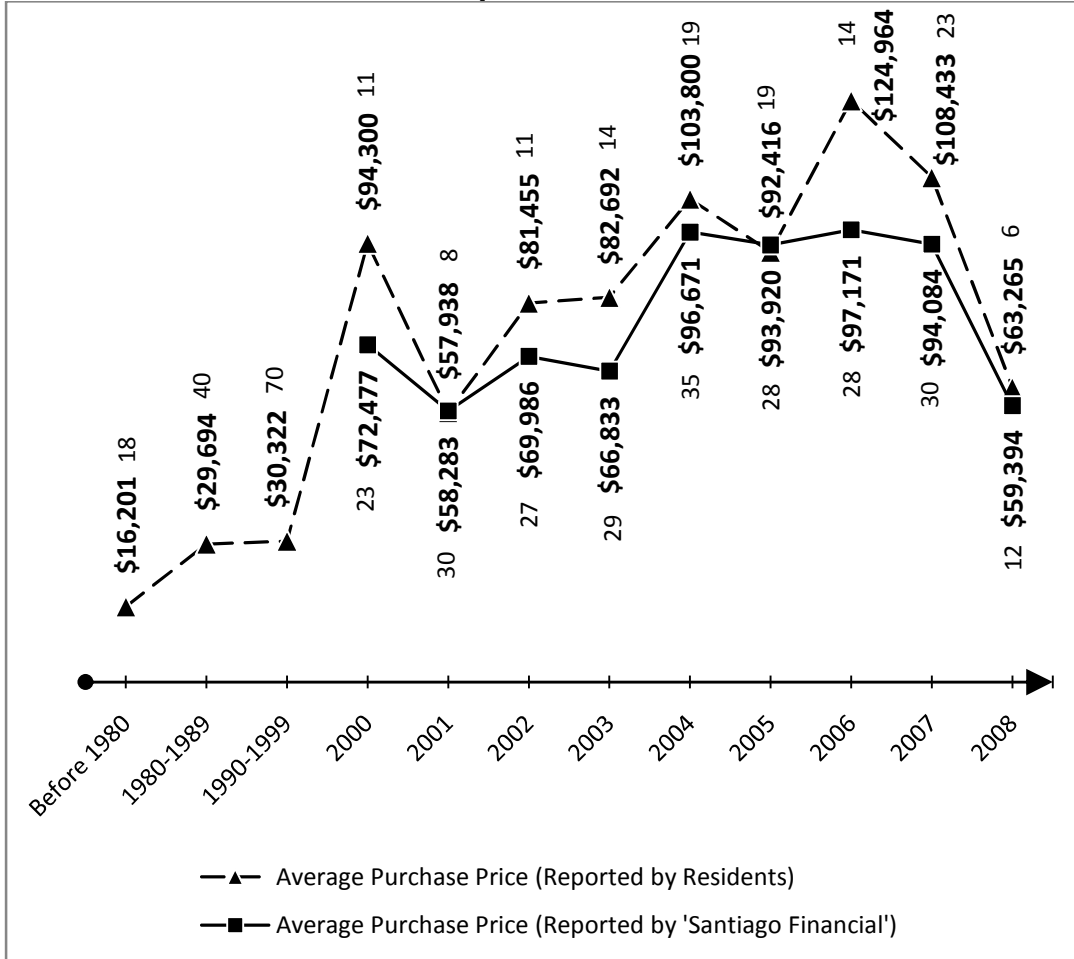
More than half of the respondents reported that they had paid all cash for their mobilehomes. 40% of the mobilehome owners have mortgages at this time, including two owners who had paid all cash initially. The median monthly mortgage payments are \$756/month, ranging from \$228 to \$1,728. Out of the 135 respondents who purchased their homes after 2000, 70% have mortgages at this time; their median monthly mortgage payments are about \$792/month, in a similar range to the overall responses.

## **B. Mobilehome Purchase Prices Sales Data Reported by Manufactured Housing Sales Reporting Service**

Data on original and current mobilehome purchase prices from 1997 to the present was obtained from a private service (Santiago Financial Inc., Tustin, CA) that provides mobilehome sales price data (primarily to appraisers). This data is based on information contained in sales registration reports which must be filed with the State Department of Housing and Community Development when mobilehomes are purchased. (Cases in which the sale price was reported as \$0 were removed from the calculation of price averages.)

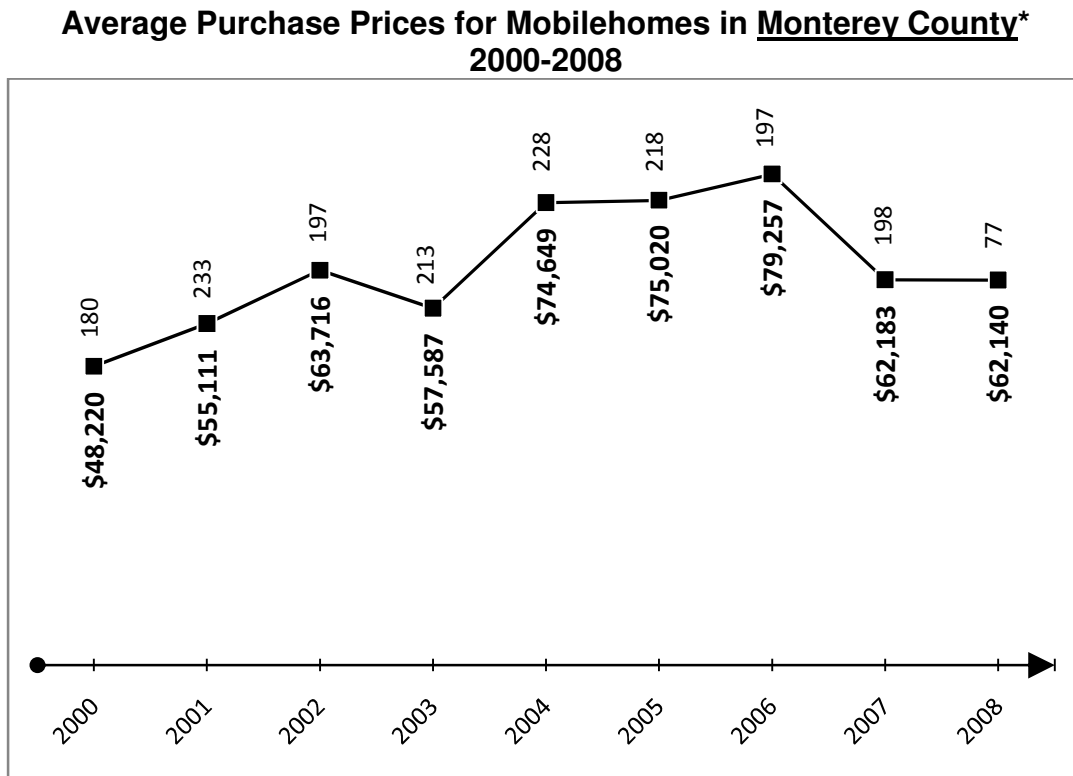
From 2000 to 2007, the average price of mobilehomes in Marina increased from \$72,477 to \$97,171. Since 2007, the average price and the number of sales have decreased. Through August 2008, the average sale price for a smaller number of sales was \$59,394. (The small number of sales each year does not allow for tabulations by park or for analysis of sales of older mobilehomes.)

**Average Purchase Prices for Mobilehomes in Marina\*  
Santiago Financial, Inc., Year 2000-2008  
Residents' Responses, Year 1960-2008**



\* The number of sales is indicated in lighter typeface next to the average purchase price.

Similarly, in Monterey County, the average price of mobilehomes increased from \$48,220 in 2000 to \$79,257 in 2006. This trend is in accord with the surge in house prices and rents from 2000 to 2006. Subsequently, mobilehome prices began to fall, reflecting general real estate trends. From 2007 through August 2008, the average price of mobilehomes was \$62,140.



\* The number of sales is indicated above the chart line.

Since 2000, Marina has averaged higher prices for doublewide mobilehome sales than the Countywide averages.

## **VI. Current Rent Levels, Increases in Rents, Vacancy Rates, and Terms of Rental Agreements**

### **A. Current Rent Levels**

The City sent a questionnaire to park managers about average rents, the range of rents, the portion of residents who have entered into lease agreements, and rental practices. The managers of five parks responded to this questionnaire.

Each park manager provided information on the range of rents in the park, but did not indicate the average rent.

**Current Rents  
Survey of Park Managers**

<b>Park</b>	<b>Range Current Rents</b>	<b>Initial Rent New Tenants</b>
Cypress Square	\$440-\$500	\$475
El Camino	\$407-\$500	\$475
El Rancho	\$310-\$405	\$380 to \$420
Lazy Wheel	\$450-\$675	\$650
Marina del Mar	\$299-\$468	\$486 doublewide \$436 singlewide

Tenant survey responses were used to calculate the average rent in each park. The information that the residents and park managers provided on rent levels was consistent.

**Current Rents  
Resident Survey**

<b>Park</b>	<b>Current Rents Average</b>
Cypress Square	\$463
El Camino	\$445
El Rancho	\$349
Lazy Wheel	\$608
Marina del Mar	\$353

**B. Average Current Rents and Household Income**

**Average Current Rents by Income Category**

<b>Household Income Category</b>	<b>Average Current Rent</b>
under \$20,000	\$418
\$20,000-\$39,999	\$437
over \$40,000	\$466

### C. Rent Trends

In each decade space rents have increased by about \$100 on average.

#### Rent Trends – All Parks (Resident Survey)

Year Moved into MH Park	Average Move-in Rent	Average Current Rent	Pct. Increase
before 1990	\$178	\$419	135%
1990-1999	\$277	\$400	44%
2000-2004	\$371	\$460	24%
2005-present	\$438	\$473	8%

From 2002 to 2008, increases in space rents exceeded 40% in four of the five parks in the City in contrast to a 16% increase in the CPI-all items during this period and to 10% increase in the Consumer Price Index rent index. The following table compares park rent levels in each park in 2002 and 2008.

#### Comparison of Rent Levels in 2002 and 2008

Park	October 2002	August 2008	Pct Increase in Rent Oct 2002-August 2008 (Increase in CPI 16% <sup>**</sup> )
Cypress Square	340-400*	463	25.1%
El Camino	295	445	50.8%
El Rancho	247	349	41.3%
Lazy Wheel	370	608	64.3%
Marina del Mar	247	353	42.9%

Sources: 2002 survey – City of Marina Task Force; Responses from 2008 survey of park residents

\* \$370 used as average

\*\* CPI-All Urban Consumers All-Items (San Francisco-Oakland-San Jose)

### D. Mobilehome Owner Expenses in Addition to Space Rent

In addition to space rent, residents have other costs associated with the ownership of their mobilehome.

## **1. Utilities (Gas, Electricity, Water, Sewer, Refuse Collection)**

In all of the parks residents pay for their gas and electricity expenses. In addition, residents pay for water and refuse expenses. In four of the five parks residents also pay for their sewer expenses. The expenses of individual mobilehome owners vary depending on their usage levels.

The standard fee for refuse collection for one 35 gallon can is \$13.00 per month. Residents reported that monthly sewer charges in their parks were fixed in the range of \$16.00. Water usage is generally metered by parks, with monthly costs typically in the range of \$20 to \$25.

The County Housing Authority authorizes a \$93 utility allowance for Section 8 tenants.

## **2. Insurance**

84% of the residents have some form of insurance for their property. City-wide the average annual cost for mobilehome owners is \$446.

Insurance costs rise in direct proportion to:

- The purchase price of the mobilehome, ranging from an average of \$313/year for mobilehomes purchased for less than \$20,000 to \$675/year for mobilehomes purchased for more than \$100,000;
- The mobilehome owner's income level, ranging from an average of \$378/year for households with an income under \$15,000/year to \$559/year for households with an income of \$50,000/year or more (four households that earned incomes over \$75,000 paid in average more than \$1,000/year in insurance); and
- The year of purchase, ranging from \$348/year for owners who purchased their mobilehome before 1990 to \$553/year for owners who purchased their mobilehome since 2005.

## **3. Taxes**

Almost all the respondents reported that they pay taxes on their property, averaging from \$320/year to \$375/year. Taxes are almost twice as high for owners who bought in the last 2-3 years (about one fourth of the sample), averaging \$471/year, compared to residents that have lived in the parks for 20 years or more (another fourth of the sample), averaging \$257/year.

## **E. Rental Terms and Exempt Leases**

In four out of the five parks in the City none of the space rentals are covered by leases of more than one year. In Marina del Mar most of the space rentals are subject to leases of one to five years.

Under state law, mobilehome park spaces which are subject to leases that meet specified terms are exempt from rent regulation as long as the lease is in effect.<sup>10</sup> When the lease terminates, the space may be subject to rent regulation. A substantial portion of mobilehome park space rent control ordinances prohibit a park owner from requiring that incoming tenants execute leases that would be exempt from the rent regulation.

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10. Civil Code Section 798.17.



## **VII. The Investments in Constructing Mobilehome Parks and Trends in the Value of Mobilehome Parks**

While extensive information has been compiled on trends in mobilehome values, information on trends in mobilehome park values has not been systematically collected and reported. However, there is information available which provides evidence of the scale of appreciation in mobilehome parks.

When mobilehome parks were constructed, there was an ample supply of vacant land which could be purchased at a low cost. Reports and surveys indicate that the average costs for the land acquisition and construction costs of mobilehome parks were about \$6,000 per space in the 1970s.

A 1974 report by the Western Mobilehome Association projected that the total cost of onsite improvements averages \$2,600 to \$4,000 per lot, exclusive of land. "This includes installation of all underground utilities, utility services, sewers and sewer connections, landscaping, paving of parking areas and streets, and construction of services, swimming pools, and recreation buildings."<sup>11</sup> The report projected land costs in the range of \$5,000 to \$25,000 per acre, with permitted densities of 8½ spaces per acre. This translates into land costs of \$600 to \$3,000 per space. The Small Business Reporter of the Bank of America estimated development costs of mobilehome parks averaged about \$2,625 per space in 1970 and estimated that development costs ranged from \$3,500 to \$6,500 per space in 1976.<sup>12</sup>

In Marina, two parks, Cypress Square and El Rancho have been in the same ownership since the 1960's. Three of the parks were purchased since 2002; El Camino – 2002, Marina de Mar – 2005, and Lazy Wheel – 2007.

Appraisals would be required to make precise estimates of the current value of the mobilehome parks in Marina. However, some estimate of the range of park values may be made. In the current market, capitalization rates for mobilehome park purchases are in the 6 to 7% range. (In other words, the value of each \$1,000 in annual net operating income is in the range of \$14,285 or \$16,666 (\$1,000/.07 or \$1,000/.06))

If it assumed that park operating expenses ratios are 40% of gross income and that net operating income is 60% of gross income, a typical annual net operating income per mobilehome space of a park with rents at \$450 per month (\$5,400 per year) would be approximately \$270/month (60% of \$450) or \$3,200/year. Under these circumstances the current values of mobilehome parks would be in the range of \$53,333 per space (\$3,200/.06).

Changes in capitalization rates, which largely reflect changes in mortgage interest rates have had a dramatic impact on the values of rental property. In the past five years park values have increased substantially as a consequence of declines in capitalization rates, from a typical rate of

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11 Western Mobilehome Association, Mobilehome Park Development, p.4 (1973-74 edition).

12 Bank of America, "Mobile Home Parks", Vol. 9, No. 7, p.7; Bank of America, "Mobile Home Parks", Small Business Reporter, Vol. 13, No. 6, p.10.

8% to 9% to 5 to 7%. If the capitalization rate had remained at the former levels of 8% or 9%, a park with an annual net operating income per space of \$3,200 would have a value \$35,555 ( $\$3,200/.09$ ) per space or \$40,000 ( $\$3,200/.08$ ) per space. Instead, the value of the same income level is substantially higher.

Limited data on sales and financing of mobilehome park purchases was obtained from one real estate service. It indicates that Lazy Wheel was purchased for \$5.7 million in 2007 (\$72,463 per space), with financing of \$4 million.

Marina del Mar was assessed at \$3.5 million in 2008 (\$42,168 per space) following a sale in 2006. This would indicate that the sale price in 2006 would have been for approximately this amount (since assessment increases are limited to 2% per year). In 1986, the park was purchased for \$1 million.

El Camino was purchased for \$2,500,000 in 2002 (\$40,983 per space.)

As indicated, Cypress Square and El Rancho have been held by the same owners for over four decades.

### **VIII. The Affordability of Mobilehome Park Space Rents in Marina**

As indicated, one third of the households surveyed indicated that their annual household income was under \$20,000 and another 28% indicated that their household income was between \$20,000 and \$29,999.

If housing expenditures for households with an annual income of \$20,000 were limited to 30% of income (the federal standard for housing affordability), the monthly housing expenditure would be \$500/month (\$6,000/year). In order to place the foregoing \$500/month amount in perspective it is critical to remember that this is the affordability level for households at the top point of this income group.

In the following table, for the purpose of estimating overall mobilehome owners housing costs (excluding mortgage payments), it assumed that utility costs average \$93/month and that maintenance, insurance, and tax costs average \$100/month. The table sets forth the “gaps” between housing costs for mobilehome owner households based on alternate assumptions about:

- 1) rent levels which reflect the three common rent levels in the parks (\$350, \$450, and \$600),
- 2) household income (\$15,000, \$20,000, and \$30,000/year), and
- 3) alternate affordability standards (30% and 40% of income).

The data indicates that households with an income of \$15,000 face an affordability gap at all three common rent levels - \$350, \$450, and \$600. Households with an income of \$20,000 face an

affordability gap at all levels if a 30% of income standard is used. If a 40% standard is used, they still face a \$126 affordability gap at the \$600 rent level.

The data is subject to the major qualification that it does not take into account the costs of acquiring a mobilehome.

### Housing Affordability for Mobilehome Owner Households

Annual Income Level (a)	Affordable Costs		Housing Costs				Affordability Gap 30% Standard [g-b]	Affordability Gap 40% Standard [g-c]
	30% of Monthly Income (b) [0.30a/12]	40% of Monthly Income (c) [0.40a/12]						
			Space Rent (d)	Utility Cost (e)	Cost of Insurance Prop. Taxes & Maint. (f)	Overall Housing Cost (excluding mortgage) (g) [d+e+f]		
\$15,000	\$375	\$500	\$350	\$93	\$100	\$543	\$168	\$43
			\$450	\$93	\$100	\$643	\$268	\$143
			\$600	\$93	\$100	\$793	\$418	\$293
\$20,000	\$500	\$667	\$350	\$93	\$100	\$543	\$43	None
			\$450	\$93	\$100	\$643	\$143	None
			\$600	\$93	\$100	\$793	\$293	\$126
\$30,000	\$750	\$1,000	\$350	\$93	\$100	\$543	None	None
			\$450	\$93	\$100	\$643	None	None
			\$600	\$93	\$100	\$793	\$43	None

If the households with an income of \$20,000/year (\$1,667/month) spend \$350/month for space rents, \$93/month in utility costs, and \$100/month for maintenance and insurance, the total of \$543/month in housing cost would amount to 32% of their income. This total does not include any allowance for costs associated with purchasing the mobilehome. A monthly expenditure of \$500 for housing costs would leave approximately \$1,167/month for other living costs.

If the households with an income of \$20,000/year (\$1,667/month) spend \$543/month for space rents, \$50/month in utility costs, and \$100/month for maintenance and insurance, the total of \$667/month in housing cost would amount to 40% of their income. This would leave approximately \$1,000/month for other living costs.

## **IX. Affordability of Housing Alternatives**

Apartment rents substantially exceed mobilehome space rental costs (taking into account maintenance, fire insurance, water, and trash collection costs which are not usually incurred by apartment tenants). The August 2008 Housing Element indicates that average rents for studios, one bedroom, and two bedroom (one bath units) were in the range of \$830 to \$942.

Monthly condominium ownership costs (including mortgage costs) would exceed \$1,800 for very low cost condominiums (e.g. \$150,000) would far exceed park space rental costs.

## **X. Rationale For and Against the Regulation of Mobilehome Park Space Rents**

### **A. Rationale for Regulation**

#### **1. The Need to Regulate a Monopoly Type of Relationship and Prevent Excessive Rent Increases**

The rationale for the regulation of Mobilehome park space rents primarily rests on the special nature of the landlord-tenant relationship in such transactions.

In a market economy supply and demand mechanisms are relied on in order to reach results that are in the public interest. When prices increase incentives are created for additional production and consumers have the option of reducing their consumption. At the same time, in monopoly situations (such as in the provision of utilities) price regulations are standardly implemented.

In the case of apartment rentals, tenants have the option of moving to other apartments. The costs associated with such moves are likely to be in the range of one or two month's rent, taking into account moving costs and the possibility of additional rent during a moving period.

In contrast, a household with a mobilehome has an immovable investment which can only be sold in place. While mobilehome park owner's do not have monopoly rights as a matter of law, as a practical matter they have monopoly-like control over space rents. Mobilehomes are rarely moved after their original installation on a mobilehome park space.<sup>13</sup> In urban areas, vacancy rates in mobilehome parks are exceptionally low. Furthermore, standard park owner practices (as

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<sup>13</sup> A 1988 study concluded that only about one percent of all mobilehomes are ever moved during the lifetime of the mobilehome. Werner Z. Hirsch & Joel G. Hirsch, "Legal-Economic Analysis of Rent Controls in a Mobile Home Context: Placement Values and Vacancy Decontrols", 35 UCLA Law Review 399, 405 (1988)

well as land use restrictions) assure the immobility of mobilehomes. Most mobilehome parks will not accept mobilehomes that are more than a few years old thereby precluding any movement of mobilehomes between parks within urban areas.<sup>14</sup> Furthermore, as noted, the combination of land use regulations and changed economic conditions preclude the construction of new parks in urban areas. As a result, the relationship between park owners and their tenants is virtually a monopoly relationship in the sense that a mobilehome can only be used on the space on which it is currently located. In other words, the supply of available mobilehome spaces for a mobilehome that has been installed on a mobilehome park space becomes only one, the space where the mobilehome was initially placed. Under these circumstances, the rationale for mobilehome space rent regulations is particularly compelling.

This special situation and the captive nature of mobilehome park tenancies has been repeatedly recognized in state and local legislation and by the courts. The California legislature has declared that it is necessary to provide mobilehome owners with “unique protection” from evictions.

**The Legislature finds and declares that, because of the high cost of moving mobilehomes, the potential for damage resulting therefrom, the requirements relating to the installation of mobilehomes, and the cost of landscaping or lot preparation, it is necessary that the owners of mobilehomes occupied within mobilehome parks be provided with the unique protection from actual or constructive eviction afforded by the provisions of this chapter.<sup>15</sup>**

Local mobilehome park space rent stabilization ordinances commonly note the “captive” nature of mobilehome park tenancies.

As early as 1966, an "Appraisal Guide for Mobilehome Parks" published by the Finance Division of the Mobile Homes Manufacturers Association described how land use restrictions provide park owners with "monopolistic" value. The guide stated:

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14 This conclusion is confirmed by surveys conducted for this author over the past five years. Park managers often viewed the question as largely hypothetical because mobilehomes had only rarely or never had been moved from another park into their park.

15 Civil Code Sec.798.55a

## **Monopolistic Value**

**Generally, the cost approach of a proposed park represents the upper limit of value. This is not always true, for this approach frequently cannot include the monopolistic value of a limited or restricted area use. Nor is it true in the case of older parks in areas which no longer permit the construction of parks and which frequently have this monopolistic value. Under these circumstances, when competition is strictly curtailed, the value of this interest, plus the value of improvements, and the normal value of the land, may exceed the accepted application of the cost approach. ... the land with this legal use should be credited with the premium value of the monopoly interest.<sup>16</sup>**

In 1988, a nationally prominent real estate newsletter explained that:

**With today's parks having virtually no vacancies and tenants with limited options you get a base cash flow that is as predictable as the first of the month.<sup>17</sup>**

## **Monopoly Rents**

The immobility of a mobile home creates a situation in which a park owner can actually charge an even higher rent than “market” rent (the amount of rent that could be obtained for a vacant mobilehome space), because the park owner can charge an additional amount that a mobilehome owner will pay just to keep from losing an investment in a mobilehome. In one widely cited publication on mobilehome issues, the authors, who are economists, commented: “The fact that *it is quite costly* for a tenant to move after having located in the park gives the landlords the opportunity to seek larger rent increases than they otherwise would be able to obtain.”<sup>18</sup> The authors describe this charge as “quasi-rent.”<sup>19</sup> A more realistic characterization is that it is impossible for a tenant to move with his/her mobilehome within an urban area, rather than only being “quite costly.”

Under these circumstances, the rent setting process of mobilehome park spaces largely reflects the will of a park owner rather than any type of market mechanism. Rent levels and rent increase patterns within “market” areas vary from cases in which rents have barely been increased, to adjustments which track increases in the CPI, to adjustments which substantially exceed increases in the CPI but are comparable of those of other park owners in the area, to increases which far exceed the rent increases in other mobilehome parks in the area.

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16 Randall, Appraisal Guide for Mobilehome Parks 31 (1966, Mobilehome Manufacturer’s Ass’n).

17 "Mobile Home Parks: A Profitable Niche for Partnerships", 11 Real Estate Outlook (No. 3) (1988, Warren, Gorham, and Lamont).

18 Id. at 420 (emphasis added).

19 See Hirsch and Hirsch, “Legal-Economic Analysis of Rent Controls in a Mobile Home Context: Placement Values and Vacancy Decontrol”, 35 UCLA Law Review 399, 419-423.

## **2. Preservation of the Viability of Mobilehome Ownership and the Investments of Mobilehome Owners**

A related rationale for controls of space rents is the preservation of mobilehome values and consequently the investments of mobilehome owners.

Traditionally, economists and appraisers projected that each \$100 increase in space rents would lead to a \$10,000 reduction in the value of a mobilehome. These projections were based on a capitalization analysis, in which a \$100 increase in rents would be offset by \$100 in the monthly purchase costs of a mobilehome (an amount that would cover a \$10,000 purchase loan.)

Empirical studies have not confirmed the validity of such projections. However, it is clear that steep increases in rents have led to situations in which mobilehomes are sold at nominal prices or become unmarketable.

## **3. Preservation of Affordable Housing**

Presently, longer term mobilehome owners have a form of housing which is more affordable than other forms of housing because they own their dwellings free and clear and have remaining housing costs that are a few hundred dollars per month below apartment rents. At the same time, they have some equity in their mobilehomes that can be realized if they elect to or have to move at some point. In the case of the low income mobilehome owners an increase in housing costs of a hundred dollars or a few hundred dollars can be unbearable.

While recent purchasers have made substantial investments in mobilehomes (especially doublewide mobilehomes), these investments are well below the investments that would have been required to obtain single family dwellings and moderate size condominiums. It is safe to assume that these purchasers chose mobilehome ownership because other ownership alternatives were unaffordable.

## **B. Rationale against Mobilehome Park Space Rent Regulation**

The principle arguments against regulation of mobilehome park space rents have been that they do not make mobilehome ownership more affordable for future owners and that they lead to an unjust transfer of land values from park owners to park residents.

### **1. Impact of Rent Regulations on the Affordability of Mobilehome Ownership**

Some economists have concluded that mobilehome park space rent controls do not advance housing affordability because prospective in a jurisdiction with rent regulations mobilehome owners are forced to pay a higher price for mobilehomes which incorporates the benefit of the rent regulation.

However, a principal facet of affordability is the security of an investment. Commonly, mobilehome owners are retirees who must rely on their assets, as well as their income for security. If there is no limit on how much the rent may be increased upon a change in mobilehome ownership, the mobilehome owner faces the possibility that his/her investment may

be substantially or nearly totally extinguished. As previously indicated this has occurred when park owners have imposed exceptional rent increases.

## **2. Equity Arguments - Claims of Unjust Transfer of Land Values**

Much of the criticism of mobilehome park space rent controls has been based on the view that such regulations result in an unjust transfer of the land value from park owners to mobilehome owners. This criticism has been set forth in court opinions. While the Supreme Court has rejected the view that this outcome renders such legislation unconstitutional, the criticism still plays a role in debates about the equities and inequities of mobilehome park space rent controls.

In Hall v. Santa Barbara, a U.S. Court of Appeal concluded that the combination of the mobilehome space rent control and the state-created right to sell a mobilehome in place created a transferable possessory interest which had a "market value". This distinguished it from conventional apartment rent controls, which had been consistently upheld by the courts. The apartment rent controls did not grant occupancy rights which were transferable. In contrast, under the mobilehome regulations "tenants were reaping a monetary windfall." The Court concluded that the tenants' ability to realize a "windfall" premium "shades" into "permanent occupation of the property".

In none of the cited cases has the landlord claimed that the tenant's right to possess the property at reduced rental rates was transferable to others, that it had a market value, that it was in fact traded on the open market and that tenants were reaping a monetary windfall by selling this right to others. This is not a minor difference; it is crucial...

That tenants normally cannot sell their rights in rent controlled property provides important safeguards for landlords...[Under conventional rent controls] [w]hen the premises become vacant, the landlord is able to reassert a measure of control over the property...

[A]s the Santa Barbara ordinance is alleged to operate, landlords are left with the right to collect reduced rents while tenants have practically all other rights in the property they occupy. As we read the Supreme Court's pronouncements, this oversteps the boundaries of mere regulation and shades into permanent occupation of the property for which compensation is due.<sup>20</sup>

Another federal trial court opinion sets forth a counter to this windfall theory. The court stated that it was clear that investments by mobilehome owners which would substantially exceed the investments of the park owners would be an essential ingredient for the success of the park enterprises and that park owners fully understood and encouraged mobilehome owners to make substantial investments in their mobilehomes:

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20 833 F.2nd. 1270, 1278-80 (9th cir. 1986)



It is clear that most, or even all, of the tenants have invested more than the value of the coach itself to move into the park. New tenants have paid for placement value held by previous tenants. Therefore, tenants have an expectation that they will be able to substantially recoup that investment upon sale of the coach. While that expectation may not be altogether wise, it is not unreasonable. The park owners are business people who understand that the operation of a mobilehome park involves an economic relationship in which both park owner and the tenant must make a substantial investment. Indeed, they have encouraged the tenants to make the investment and to expect a return on it.<sup>21</sup>

## **XI. Rent Regulations in Neighboring Jurisdictions and MOUs (Memorandums of Understanding) as an Alternative Rent Stabilization**

As indicated, approximately one hundred jurisdictions (cities and counties) in California have adopted mobilehome park space rent regulations.

In Monterey County, Santa Cruz County, and Santa Clara County mobilehome park space rent regulations are in effect in Capitola, Gilroy, Milpitas, Morgan Hill, Salinas, Santa Cruz County, and Watsonville. These ordinances have been in effect since the 1980's. The following chart summarizes the provisions of these ordinances.

**Mobile Home Park Space Rent Ordinances  
in Monterey, Santa Clara, and Santa Cruz Counties**

Jurisdiction	# of Spaces	Annual Increases			Pass-Throughs	Increases on In-Place Mobilehome Sales	Prospective Purchaser Can Refuse Exempt Lease
		Amount	Floor	Ceiling			
<b>Capitola</b>	677	60% of CPI		5%		none	
<b>Gilroy</b>	349	80% of CPI		5%		unlimited	
<b>Milpitas</b>	566	50% of CPI		5%		none	
<b>Morgan Hill</b>	816	75% of CPI					
<b>Salinas</b>	1,467	75% of CPI		8%		unlimited	
<b>San Jose</b>	10,756	75% of CPI	3%	7%		8%	
<b>Santa Cruz County Unincorporated</b>	5,797	50% of CPI			prop. tax inc, 1/2 cap. replacement cost	none	X
<b>Scotts Valley</b>	529	100% of CPI	3.5%	7%	prop tax inc, 1/2 cap. rep	the greater of 10% or \$30, one time in 36 months	
<b>Watsonville</b>	1,254	70% of CPI		5%	gov't mandated fees		X

<sup>21</sup> Adamson Companies v. City of Malibu, 854 F.Supp. 1476, 1489 (1994, U.S.Dist.Ct., Central Dist. California)

## **An MOU (Memorandum of Understanding) as an Alternative Rent Stabilization**

In a few jurisdictions, park owners and residents have entered into an MOU approved by the locality (city or county) and the locality has refrained from adopting rent regulations as a result. In a few other cases, park owners have had the alternative of entering into an MOU or being subject to the rent control ordinance.

The MOU's are rental agreements which generally provide for more liberal rent increase terms than an ordinance but still contain ceilings on rent increases. (E.g. the MOU's provide for greater annual rent increases or permit limited rent increases upon vacancies which are not usually permitted under rent controls.) This alternative has been attractive to park owners when it is clear that a rent stabilization ordinance will be adopted if they do not enter an MOU or alternatively they will be subject to the ordinance which has been adopted, if they do not enter into the MOU.

The advantage of the MOU for a locality is that it cannot be challenged because it is "voluntarily" entered into. Also, if the MOU is well drafted the administrative participation of the City can be minimized (e.g. If the MOU does not provide for capital improvement pass-throughs which have to be reviewed by the City.)

If a rent stabilization ordinance includes an MOU alternative, then the rent stabilization protections are in place in the event that some owners choose not to enter into the MOU or do not comply with the MOU.

## **XII. Comments on Cost-Benefit Analysis**

In considering cost and benefits of municipal policies in regards to mobilehome parks and mobilehome park residents, an infinite number of scenarios are possible, which consider varying factors. Such factors may include the benefits to the community of preserving affordable housing, the cost of creating replacement housing of equal affordability, and/or potential increases in revenue associated with higher value forms of development. Caution is in order in undertaking such analysis because their outcomes are largely determined by the values that are used or omitted in undertaking such an analysis.

### **A. Creating Affordable Units**

Over the past decades, "affordable" housing is a diminishing commodity in the coastal regions of California.

The cost of creating housing units that are affordable to low income households is very substantial. Cities commonly have to provide subsidies of \$25,000 to \$50,000 in order to assist the development of affordable units in non-profit housing.

The cost of not adopting some type of rent regulation may be the loss of affordable units in future years and the loss by low and moderate income households of their investments in their homes. This cost is not a certainty, because rent increases may or may not be "reasonable" in future years.

## **B. Legal Challenges to Mobilehome Park Space Rent Regulations**

The principal cost argument that has been used against the adoption of mobilehome park space rent regulations has been that their adoption may lead to substantial legal expenses. When the introduction of such regulations is discussed, cities are told that their adoption may result in as much as millions of dollars in legal expenses.

In fact, for two lengthy periods during the past twenty years, after federal courts struck down ordinances which controlled land-lease or mobilehome park space rents, clouds of legal uncertainty about their constitutionality remained in effect for years until these precedents were reversed by the U.S. Supreme Court. During this period, mobilehome space rent controls were faced with numerous facial challenges, constants threats of further litigation, and continual uncertainties.

## **C. Facial Challenges**

At this point none of California's one hundred mobilehome space rent control ordinances have been struck down as facially invalid, although a few sections of some ordinances may have been invalidated. (In a recent decision, which does not have precedential weight, a federal trial court struck down the San Rafael ordinance; however, that decision is on appeal.)

The general judicial doctrine in regard to price controls and apartment rent controls has been that such regulations are constitutional as long as they permit a fair return. However, on two occasions, in 1986 and 1996, the federal Ninth Circuit Court of Appeals concluded that mobilehome park space or land lease rent regulations constitute a taking of a landowner's property because the regulations provide tenants with "premiums" in the value of their homes. The bases for these conclusions departed from traditional takings analysis because they were dependent on conclusions about the benefits of the space rent regulation for the tenants (mobilehome owners or owners of homes on leased land), rather than on an analysis of the burdens that the regulations placed on the land owners.

In 1992, the U.S. Supreme Court rejected the theory that provided the basis for the 1986 decision of the Ninth Circuit and in 2005, the Court rejected the theory that provided the basis for the 1997 decision of the Ninth Circuit.

The Ninth Circuit rulings were based on its views about the constitutional significance of the economic principle that the combination of local space rent controls and the state-created right to sell mobilehomes in-place create "premiums" in the value of mobilehomes. The "premium" theory rests on the economic principle that mobilehome owners are willing to pay more for a mobilehome if the associated land rent cost is regulated. Traditionally such issues would be of concern to legislative bodies, but would not be legal issues. However, in the course of judicial consideration of the constitutionality of mobilehome space rent regulations, these issues became central legal issues.

In 1986, in *Hall v. City of Santa Barbara*, the Ninth Circuit held that vacancy controls constituted a "physical" taking of a park owners property, because such controls allowed mobilehome owners to capture a part of the value of the park owner's land when selling their homes.<sup>22</sup> In 1992, in *Yee v. City of Escondido*, the U.S. Supreme Court rejected the view that

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22 833 F.2d. 1270 (9th cir., 1986)

vacancy controls constituted a “physical” taking of a park owners’ property.<sup>23</sup> The Court rejected the concept that any transfer of wealth arising out of a rent regulation constitutes a “physical” taking and noted that transfers of wealth commonly occur as a result of rent and land use regulations.

Petitioners emphasize that the ordinance transfers wealth from park owners to incumbent mobile home owners. Other forms of land use regulation, however, can also be said to transfer wealth from the one who is regulated to another. Ordinary rent control often transfers wealth from landlords to tenants by reducing the landlords’ income and the tenants’ monthly payments, although it does not cause a one-time transfer of value, as occurs with mobile homes. Traditional zoning regulations can transfer wealth from those whose activities are prohibited to their neighbors; when a property owner is barred from mining coal on his land, for example, the value of his property may decline, but the value of his neighbor’s property may rise. The mobile home owner’s ability to sell the mobile home at a premium may make this wealth transfer more visible than in the ordinary case, ... but the existence of the transfer in itself does not convert regulation into physical invasion.<sup>24</sup>

In 1997, in Richardson v. City of Honolulu, the Ninth Circuit held that rent controls on land leases were an unconstitutional taking because they did not “substantially advance a legitimate state interest.”<sup>25</sup> The Court concluded that the Honolulu law did not advance a legitimate state interest because homeowners could obtain capitalize the value of the rent regulations into the value of their mobilehomes; therefore, the housing would not be more affordable as a result of the rent regulations. In 2004, on the basis of the Richardson opinion, in Cashman v. Cotati, the Ninth Circuit ruled that Cotati’s mobilehome space rent control ordinance was unconstitutional because it created a “premium” in mobilehome values.

In May 2005, in Lingle v. Chevron, the U.S. Supreme Court ruled that the “substantially advances” formula is not an appropriate test for determining whether a regulation constitutes a taking. In a opinion roundly criticizing the reasoning of the U.S. Court of Appeal, the Supreme Court explained that there was no connection between the test and the questions that determine whether a regulation constitutes a taking, which involve the character of the burden that is imposed on private property rights.

... the “substantially advances” inquiry reveals nothing about the magnitude or character of the burden a particular regulation imposes on private property rights. Nor does it provide any information about how any regulated burden is distributed among property owners. In consequence, this test does not help to identify those regulations whose effects are functionally comparable to government appropriation or invasion of private property; it is tethered neither to the text of the Takings Clause nor to the basic justification for allowing regulatory actions to be challenged under the Clause.<sup>26</sup>

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23 503 U.S. 519 (1992)

24 503 U.S. 519, 529-530

25 124 F.3d. 1150 (9th cir. 1997)

26 Lingle v. Chevron 544 U.S. 528 (2005)

Furthermore, the Court stated that: “The notion that ... a regulation ... ‘takes’ private property for public use by virtue of its ineffectiveness or foolishness is untenable.” In addition, the Court noted that the application of the “substantially advances” test would present “serious practical difficulties...” and “... would require courts to scrutinize the efficacy of a vast array of state and federal regulations - a task for which courts are not well suited.”

In turn, the Ninth Circuit withdrew its opinion and affirmed the District Court’s opinion upholding the Cotati ordinance.<sup>27</sup>

#### **D. As Applied Challenges**

On the other hand, there have been successful challenges to administrative decisions in the review of fair return petitions. Commonly, these challenges have emerged in situations in which an ordinance has not provided for annual increases and cities have only permitted small rent increases for park owners who have not obtained any rent increases for years.

#### **E. Potential Challenges**

There is no bar to bringing a legal challenge against any ordinance that Marina may adopt. However, at this time there is no precedent to support a holding that a typical ordinance would be invalid.

If a fair return petition is filed, a challenge to the administrative decision could be filed. However, Marina does not face the types of situations which are inductive to difficulties with fair return issues, such as cases in which park owners have not raised rents for years prior to the adoption of an ordinance (historically low rents) or a recent park purchaser is locked into rents set prior to the purchase of the park.

Nevertheless, any discussion of legal issues related to mobilehome space rent controls must be subject to the caveat that judicial outcomes in this area has brought surprises and numerous instances in trial court and appellate courts have differed in their conclusions about the law. Furthermore, challenges are repeatedly brought even though the success rate for such challenges has been very low.

### **XIII. Recommendations Regarding Rent Regulation**

#### **In the Event that the City Elects to Adopt Rent Regulations – Drafting Guidelines**

##### **A. The Need for Objective Standards**

Mobilehome space rent control ordinances and/or implementing regulations should, to the degree feasible, contain objective standards, as opposed to subjective and/or open ended standards. Discretion provides fuel for complicated, costly, and lengthy disputes. The differences between ordinances in terms of objectivity are drastic. A substantial portion of ordinances do not state how fair return shall be determined or use standards that are unworkable and/or circular in the context of a price regulation; thereby virtually assuring that fair return

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<sup>27</sup> Cushman v. Cotati 415 F.3d. 1027 (2005)

hearings will turn into lengthy debates about what standard should be used and commonly leading to litigation. A less complex example is the difference between an ordinance (and/or implementing regulations) governing the treatment of capital improvements which sets forth the allowable interest rate and the amortization periods for various types of improvements and an ordinance which simply states that cost allowances or rent increases are authorized for capital improvements.

## **B. Copy Machines Are Poor Tools for Drafting Legislation**

Cities should not simply copy ordinances of other jurisdictions. Often provisions from other ordinances are copied verbatim without any understanding of their meaning or implications or how they operate in practice.

## **C. Automatic Annual Rent Adjustments**

Ordinances should provide for automatic annual increases tied to the Consumer Price Index (CPI). The purpose of mobilehome space rent regulations is to prevent excessive rent increases, rather than to stop all rent increases. In the absence of annual rent increase provisions a petition is required for each rent increase. Due to the burdens associated with filing an individual rent adjustment petition the time periods between rent increase petitions, are usually substantial. As a result, large rent increases are commonly required to cover cost increases and provide growth in net operating income since the last rent increase. At the same time, such increases commonly are shocking to lower income households that have difficulty making ends meet, especially if their incomes are shrinking in real terms. Sometimes rent commissions find that no rent increase or only a small increase is warranted until a park owner moves for judicial intervention and a court finally finds that a large rent increase is required in order to permit a fair return.

There is no single correct answer as to what "automatic" annual increase is the best or fairest policy. There are rationales for no annual general adjustment and for increases ranging up to 100% of the rate of increase in the CPI. To the extent that annual across-the-board increases are below the increases authorized under the fair return standard, the system may become increasingly dependent on rent adjustments through fair return individual hearings.

A significant portion of California's mobilehome space rent ordinances do not include any provisions for annual across-the-board rent increases. In Carson Mobilehome Park Owners Ass'n v. City of Carson, the State Supreme Court ruled that annual across-the-board increases are not constitutionally required. The Court set forth possible rationale for a system of rent increases solely through individual park hearings that allows a rent board to tailor rent increases to the actual operating cost circumstances of a park.<sup>28</sup>

At the same time, there is strong rationale for annual "automatic" increases tied to the CPI

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28 35 Cal.3d. at 195 (1983).

which are adequate to allow most owners to realize growth in net operating income without having to make individual rent adjustment applications. Although the CPI might not be a precise measure of operating cost increases, it is seen as an impartial measure which reflects average cost increases and inflation in the overall economy that is not subject to manipulation. Therefore, its results are generally accepted as reasonable. Also, in times of moderate inflation annual increases tied to the CPI are consistent with the objective of preventing excessive increases. In contrast, public commissions commonly face strong pressures to not grant annual increases.

Under ordinances that tie allowable annual increases to increases in the CPI, ceilings and/or floors for those increases are common. Typically the ceiling is 6%.<sup>29</sup> Floors are typically set at 2% or 3%.<sup>30</sup>

#### **D. Vacancy Decontrols, Vacancy Controls and Limited Increases upon Vacancies**

Most mobilehome rent ordinances contain vacancy control provisions. Some ordinances allow unlimited rent increases when a mobilehome is sold in-place. After the new mobilehome owner assumes ownership future rent increases are subject to regulation; however, the initial rent is set by the park owner. Under vacancy decontrols, current owners are protected; however, they may lose their equity in their mobilehomes if excessive rent increases are imposed at the time of a sale.

Some ordinances authorize limited increases upon vacancies - typically about 10%. Often the provisions authorizing limited increases upon vacancy, place a limit on the frequency of vacancy increases (e.g. not more than one vacancy increase in a 36 month period); others place a dollar ceiling and/or provide a floor on the amount of the vacancy increases.

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29 E.g. Fairfield Municipal Code, Sec. 29.4(d)(v); Petaluma Municipal Code, Sec. 6.50.040.A.2; Sonoma County Code, Sec. 2-193(a)ii.

30 E.g. Contra Costa County has a floor of 2%. (Contra Costa County Code Sec. 540-2.404(a)(1).

**Examples of Limited Vacancy Increase Provisions  
(Applicable to In Place Sales of Mobilehomes)**

<b>City or County</b>	<b>Type of Vacancy Increase Provision</b>
<b>American Canyon</b>	\$25 if rent below median, limit to one increase per five year period
<b>Moorpark</b>	the lesser of 5% or CPI increase
<b>Oxnard</b>	the lesser of 15% or \$80
<b>Santa Clarita &amp; Vacaville</b>	10%
<b>Sonoma</b>	\$50 if rent < \$350, 10% if rent > \$350
<b>LaVerne &amp; Upland</b>	the greater of \$34 or 7%
<b>Ventura County</b>	lesser of 7% or \$50



## Appendix A

### Curriculum Vitae

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**Kenneth Kalvin Baar**, Urban Planner & Attorney

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#### Education

- Ph.D. 1989 Urban Planning, University of California at Los Angeles (Dissertation topic: "Explaining Crises in Rental Housing Construction: Myth and Schizophrenia in Policy Analysis")
- M.A. 1982 Urban Planning, University of California at Los Angeles
- J.D. 1973 Hastings College of Law, Univ. of California, San Francisco, CA.
- B.A. 1969 Wesleyan University, Middletown, CONN. Major: Government

**Foreign Languages:** French and Italian

#### Teaching

Visiting Professor, Fulbright Scholar, Polytechnic University, Tirana, Albania  
(Introduction to urban planning) (2002 and 2003)

Visiting Assistant Professor, Urban Planning Department, School of Architecture, Planning, and Preservation, Columbia University, New York (1994-1995)  
(courses: planning law, introduction to housing, comparative housing)

Visiting Professor, Fulbright Scholar, Budapest University of Economic Sciences  
(Sept. 1991- June 1993)

Instructor, San Francisco State University, Urban Studies Program (1983-1984)

#### Short courses, Series of lectures

Technical University of Budapest, Planning Department Series of lectures Professional Extension Courses and Undergraduate Courses (1991-1992)

Kiev University Law School, real estate law (1992, one week course)

Warsaw Technical University, Planning Department, urban planning (1992)

Netherlands Ministry of Housing (1997)

## **Projects: 1980-2008**

Consultant to California cities (Azusa, Capitola, Carpinteria, Carson, Ceres, Citrus Heights, Clovis, Cotati, Escondido, Fremont, Fresno, Healdsburg, Milpitas, Modesto, Montclair, Oceanside, Palmdale, Palm Desert, Riverbank, Rohnert Park, Salinas, San Marcos, Santa Rosa, Santa Cruz County, Santee, Simi Valley, Sonoma, Vallejo, Ventura, Watsonville, Yucaipa) on mobilehome park policies. (1980-present)

Co-author and Co-editor of Book “Urban Planning in a Market Economy” for Publication in Albania (2003-4)

Institute of Transportation and Development Policy (New York City), Preparation of study on European policies governing location of shopping malls (2002)

Open Society Budapest (Soros Foundation), Preparation of study on contracting out of public services and freedom of information in Czech Republic, Romania, and Slovakia (2000-2001)

Consultant to World Bank (Budapest office), Preparation of studies on municipal contracting out of public services in Hungary and on policies for the provision for the provision of district heating (1998-2000)

Urban Institute, U.S. Aid for International Development (A.I.D.) funded technical assistance, Hungarian Subnational Development Project (1998 & 1999)

Consultant, Institute for Transportation and Development Policy, to East European Organizations on Transportation Policies (1997-98)

Studies for the Golden State Mobilehome Owners League on Issues Related to Mobilehome Ownership and Statewide Referendum on Mobilehome Owners Rights (1995-96)

U.S.A.I.D. funded technical assistance to Albanian Ministry of Construction (Sept. 1993-March 1994)

Consultant, East European Real Property Foundation, (U.S. A.I.D. funded), development of education and training in Hungary (July 1993)

Study of Hungarian Land Use Regulations (1992, publication and technical assistance sponsored by Urban Institute, Wash. D.C.)

Report for Hungarian Ministry of Justice, Comparison of Landlord-Tenant Law in France, United States, and Hungary (1992, funded by Urban Institute, Wash. D.C.)

Consultant, City of Santa Monica, Cal., Incentive Housing Program

Consultant, State of New Jersey Attorney General and Public Advocate, on fair return standards under state statute regulating evictions of senior citizens from condominiums

Studies of Impacts of Local Regulations on Housing Supply, Cities of Santa Monica and Fremont, Cal.

Preparation of a Guide for New Jersey Rent Control Boards on Fair Return Standards and Landlord Hardship Applications (National Housing Law Project)

Research and Writing Articles on Inequalities in Property Tax Assessments (Legal Services Corporation, Washington, D.C.)

Consultant, Peter L. Bass & Associates, Development of Contracts with Developers under the California Coastal Conservancy Lot Consolidation Program

Expert Witness, City of San Francisco, on the impacts of city policies on apartment construction in litigation involving applicability of antitrust regulations

Project Director, survey of merchants and commercial property owners for City of Berkeley, Cal., Planning Dept.

Preparation of apartment operating cost studies for the cities of Berkeley, Santa Monica, and Cotati, California)

Consultant, Real Property Division, First Nationwide Bank on disposition of assets in operations inventory

Assistant (on contract) to Deputy City Attorney of San Jose, California on drafting of environmental and subdivision regulations

## **Publications**

### **Articles**

Baar, "Fair Return Standards Under Mobilehome Park Space Rent Controls: Conceptual and Practical Approaches", Real Property Law Reporter, Vol. 29, No. 5, pp. 333-342 (2006)

Baar, "Legislative Tools for Preserving Town Centres and Halting the Spread of Hypermarkets and Malls Outside of Cities" published in Etudes Foncières (Land Studies) No. 102, pp. 28-34 (March-April 2003, Paris, translated into French); and Falu, Varos, es Regio (Village, Town, and Region), 2003, issue no. 2, pp. 11-22 (Budapest, translated into Hungarian)

Baar, "Contracting Out Local Public Services in a Transition Economy", Review of Central and Eastern European Law, Vol. 25, No. 4, 493-512, September 2000, (Leiden, Netherlands)

- Baar, “Contracting Out Municipal Services: Transparency, Procurement, and Price Setting Issues“, Hungarian Public Administration, Vol. 49, No. 3, May 1999 (translated into Hungarian)
- Baar, “Laws Protecting Mobilehome Park Residents”, Land Use and Zoning Digest Vol. 49, 3-7 (Nov. 1997, American Planning Association)
- Baar, “The Anti-Apartment Movement in the U.S. and the Role of Land Use Regulations in Creating Housing Segregation”, Netherlands Journal of Housing and the Built Environment, Vol. 11, no.4, 359-380 (1996)
- Baar, “La resistance au logement collectif”, Etudes Foncieres, Vol. 67, 44-48, (June 1995, Paris, Association des Etudes Foncieres)  
and  
“Il Movimento Contro Gli Edifici Multifamiliari Negli Stati Uniti”, Storia Urbana, Vol 66, 189-212 (1994, Milan, Italy)  
(translated versions of "The National Movement to Halt the Spread of Multi-family Housing (1890-1926)", Journal of the American Planning Association, Vol. 58, no. 1, 39-48 (Dec. 1991))
- Baar, “Impacto del precio del suelo y de las normas sobre su uso en el precio y la distribucion de las viviendas en USA”, La Vivienda, no. 23, 43-51 (1993, National Mortgage Bank of Spain) ["The Impact of Land Costs and Land Regulations on the Cost and Distribution of Housing in the United States"]
- Baar, “A Területrendezés Dilemmái a Demokratikus Piacgazdaságban”, Ter és Tarsadalom, Vol.6, no. 1-2, 89-99 (1992, Budapest) ["Dilemmas of Land Use Planning in a Democracy with a Market Economy", Space and Society]
- Baar, “The Right to Sell the ‘Im’mobile Manufactured Home in Its Rent Controlled Space in the ‘Im’mobile Home Park: Valid Regulation or Unconstitutional Taking?”, Urban Lawyer Vol. 24, 107-171 (Winter 1992, American Bar Ass’n)
- Baar, “The National Movement to Halt the Spread of Multi-family Housing (1890-1926)”, Journal of the American Planning Association, Vol. 58, no. 1, 39-48 (Dec. 1991)
- Baar, “El Control de Alquileres en Estados Unidos” Estudios Territoriales , Vol. 35, 183-199 (1991, Madrid) [“Rent Control in the United States”]
- Baar, “Would the Abolition of Rent Controls Restore a Free Market?”, Brooklyn Law Review, Vol. 54, 1231-8 (1989)
- Baar, “A Choice of Issues” (Introduction to articles on the impact of rent controls on the property tax base), Property Tax Journal Vol. 6, no. 1, 1-6 (March 1987, International Ass’n of Assessing Officers).

- Baar, "Facts and Fallacies in the Rental Housing Market", Western City, Vol. 62, no. 9, 47 (Sept. 1986, California League of Cities)
- Baar, "California Rent Controls: Rent Increase Standards and Fair Return", Real Property Law Reporter, Vol. 8, no. 5, 97-104 (July 1985, California Continuing Education of the Bar)
- Baar, "Rent Control: An Issue Marked by Heated Politics, Complex Choices and a Contradictory Legal History", Western City, Vol. 60 (June 1984)
- Baar, "Rent Controls and the Property Tax Base: The Political-Economic Relationship", Property Tax Journal, Vol. 3, no. 1, 1-20 (March 1984)
- Baar, "Guidelines for Drafting Rent Control Laws: Lessons of a Decade", Rutgers Law Review, Vol. 35, 723-885 (1983)
- Baar, "Property Tax Assessment Discrimination against Low-Income Neighborhoods", Urban Lawyer, Vol. 13, 333-405 (1981, American Bar Ass'n)  
abridged versions:  
Clearinghouse Review, Vol. 15, 467-486 (1981),  
Property Tax Journal, Vol. 1, (no. 1) 1-50 (March 1982)
- Baar, "Land Banking and Farm Security Loans", Economic Development Law Project Report, Vol. 8, no. 4, 1978)
- Pearlman and Baar, "Beyond the Uniform Relocation Act: Displacement by State and Local Government", Clearinghouse Review, Vol. 10, 329-345 (1976)

### **Chapters in Books**

- Baar, "Land Use Regulation", "Contracting Out Municipal Services: Transparency, Procurement and Price Setting Issues", and "Financing and Regulating District Heating", Intergovernmental Regulation in Hungary - A Decade of Experience (World Bank Institute, 2005)
- Baar, "Open Competition, Transparency, and Impartiality in Local Government Contracting Out of Services" (Chapter 2), Navigation to the Market: Regulation and Competition in Local Utilities in Central and Eastern Europe, ed. Peteri and Horvath (2001, Local Government and Public Service Reform Initiative, Open Society Institute, Budapest)
- Baar, "New Jersey's Rent Control Movement" (Chapter 10) and "Controlling "Im"Mobile Home Space Rents", (Chapter 13), ed. Keating, Tietz, & Skaburskis, Rent Control: Regulation and the Rental Housing Market (1998, Center for Urban Policy Research, Rutgers University).

Baar, “Hungarian Land Use Policy in the Transition to a Market Economy with Democratic Controls”, Land Tenure and Property Development in Eastern Europe (1993, Association des Etudes Foncières, Paris)

**Book (editor and coauthor)**

Eds. Baar and Pojani, Urban Planning in a Market Economy, (Tirana, Albania 2004) author of chapters: “Decentralization in Service Provision and Urban Planning - An International Perspective, Private”, “Property Rights, Public Expropriations, and Public Rights to Undertake Urban Planning”, “Contracting out Public Services in Hungary - Regulatory, Contracting and Transparency Issues”. Coauthor of chapters: “Urban Planning in a Democracy with a Market Economy”, “Local Service Provision in Albania”.

**Expert Witness** (on behalf of cities)

Baker v. City of Santa Monica (1982, Los Angeles County Superior Court)

Segundo v. City of Rancho Mirage and Kapp v. City of Cathedral City (1985, U.S. Federal District Court, Los Angeles)

Hozz v. City and County of San Francisco, (1984, Superior Court, San Francisco County)

Kirkpatrick v. City of Oceanside, (1993, Superior Court, San Diego County)

440 Company v. Borough of Fort Lee, New Jersey (1996, U.S. Federal District Court, New Jersey)

Cashman v. City of Cotati, (2002, U.S. Federal District Court, Northern District California)

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Westchester West No.2 Limited Partnership v. Montgomery County, 348 A.2d. 856 (1975) Maryland Court of Appeals [highest Civil Court in the state]

Helmsley v. Borough of Fort Lee, 78 N.J. 200; 394 A.2d. 65 (1978) New Jersey Supreme Court

Fisher v. City of Berkeley, 37 Cal.3d. 644; 209 Cal.Rptr. 682 (1984) California Supreme Court; affirmed, 475 U.S. 260, 106 S.Ct. 1045, 89 L.Ed.2d. 206 (1986)

Oceanside Mobile Home Park Owners Association v. City of Oceanside, 157 Cal.App.3d. 887; 204 Cal.Rptr. 239 (1984) California Court of Appeals

Mayes v. Jackson Township, 103 N.J. 362; 511 A.2d. 589 (1986) New Jersey Supreme Court; cert. denied, 479 U.S. 1090, 107 S.Ct. 1300, 94 L.Ed. 2d. 155 (1987).

Yee v. Mobilehome Park Rental Review Board, 17 Cal. App. 4th 1097, 23 Cal.Rptr.2d. 1 (1993) California Court of Appeals

Palomar Mobilehome Park v. City of San Marcos, 16 Cal.App.4th 481, 20 Cal.Rptr.2d. 371 (1993) California Court of Appeals

Guimont v. Clarke, 121 Wash. 2d. 586; 854 P.2d.1 (1993) Washington Supreme Court; cert. denied, 510 U.S. 1176, 114 S.Ct. 1216, 127 L.Ed.2d. 563 (1994)

Kavanau v. Santa Monica Rent Control Board, 16 Cal.4th. 761; 66 Cal.Rptr. 2d. 672 (1997) California Supreme Court); cert. denied, 522 U.S. 1077, 118 S.Ct. 856, 139 L.Ed. 2d. 755 (1998)

Quinn v. Rent Control Board of Peabody, 45 Mass. App.Ct. 357, 698 N.E.2d.911 (1998, Massachusetts Court of Appeal)

Galland v. City of Clovis, 24 Cal.4th 1003 (2001) California Supreme Court; cert. denied, 534 U.S. 826, 122 S.Ct. 65 (2001)

MHC Operating Limited Partnership v. City of San Jose, 106 Cal. App.4th; 130 Cal.Rptr. 2d 564 (2003) California Court of Appeal

Berger Foundation v. Escondido, 127 Cal.App.4th 1, 25 Cal. Rptr. 3d. 19 (2005) California Court of Appeal

TG Oceanside, L.P. v. City of Oceanside, 156 Cal. App.4th 1355 (2007) California Court of Appeal





13. How much do you pay per year in PROPERTY TAXES? \$ \_\_\_\_\_
14. Does your household own or rent the mobilehome? Own \_\_\_\_\_  
(the home, not the space) Rent \_\_\_\_\_
15. What was the purchase price of your mobilehome? \$ \_\_\_\_\_
16. Did you pay in full (all cash) for your mobilehome? Yes \_\_\_ No \_\_\_
17. If you did not pay all cash, how much was your downpayment? \$ \_\_\_\_\_
18. What is the total mortgage due NOW on your mobilehome, if any? \$ \_\_\_\_\_
19. What are your monthly mortgage payments NOW, if any? \$ \_\_\_\_\_
20. Including yourself, how many persons live in your mobilehome? \_\_\_\_\_

21. Please fill in the following information about the adults (persons 18 or older) in your household:

	Age	Employed Full-time	Employed Part-time	Not working	Retired
Household Member #1	--	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Household Member #2	--	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Household Member #3	--	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Household Member #4	--	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

22. What are the ages of any children in your household?

Child #1 \_\_\_\_\_ Child #2 \_\_\_\_\_ Child #3 \_\_\_\_\_ Child #4 \_\_\_\_\_

23. What was the total income of your household in 2007 before taxes? (please include income from all sources including social security, pension, interest, dividends, and any public assistance)

under \$15,000 \_\_\_\_\_  
 \$15,000 - \$19,999 \_\_\_\_\_  
 \$20,000 - \$29,999 \_\_\_\_\_  
 \$30,000 - \$39,999 \_\_\_\_\_  
 \$40,000 - \$49,999 \_\_\_\_\_  
 \$50,000 - \$74,999 \_\_\_\_\_  
 \$75,000 or more \_\_\_\_\_

Park Owner/Manager Survey Form

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MOBILE HOME PARK SURVEY

1. Park Name \_\_\_\_\_
2. Name of Contact \_\_\_\_\_
3. Phone Number \_\_\_\_\_
4. In what year was the park built? \_\_\_\_\_
5. How many mobilehome spaces are in the park? \_\_\_\_\_
6. How many spaces are occupied by:
  - Singlewide mobilehomes \_\_\_\_\_
  - Doublewide mobilehomes \_\_\_\_\_
  - Triplewide mobilehomes \_\_\_\_\_
7. What is the average rent for occupied spaces ? \_\_\_\_\_  
and/or describe the ranges of rents  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
8. What is the rent for incoming purchasers of mobilehomes? \_\_\_\_\_
9. Does the park offer lower rents for low income tenants? \_\_\_\_\_  
If yes, please describe the park policy  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

10. How many residents have entered into leases of one year or more? \_\_\_\_\_

11. Are incoming residents required to enter into a lease? \_\_\_\_\_

a. If yes, what is the length of that lease? \_\_\_\_\_

12. What are the requirements for mobilehomes that are moved into the park - size, age, condition etc.

\_\_\_\_\_

\_\_\_\_\_

13. Does the park own any mobilehomes? \_\_\_\_\_

a. If yes, how many? \_\_\_\_\_

b. Is the park selling or renting those homes \_\_\_\_\_

c. If the spaces are rented, what is the rent  
Including the space and mobilehome rent? \_\_\_\_\_

14. When did the current owner purchase the park? \_\_\_\_\_

15. How many spaces are covered by leases of more than one year. \_\_\_\_\_

If the park has a standard lease please provide a copy