



STAFF REPORT

February 21, 2024
File Number 0697-20-10225

SUBJECT

SHORT-FORM RENT INCREASE APPLICATION FOR CASA GRANDE MOBILE ESTATES

DEPARTMENT

Development Services; Housing & Neighborhood Services Division

RECOMMENDATION

Request the City Council to review and consider Casa Grande's Mobile Estates Short-Form Application and adopt the Rent Review Board Resolution No. RRB 2024-19.

Staff Recommendation: Approval (Development Services: Chris McKinney)

Presenter: Danielle Lopez, Housing Manager

ESSENTIAL SERVICE – No

COUNCIL PRIORITY – N/A

FISCAL ANALYSIS

Staff time and resources were expended to process the short-form application. Staff reviewed the application, evaluated the mobilehome park for code enforcement violations and conducted public outreach with the affected park residents, park manager and owners. No additional fiscal impact was incurred by the City.

PREVIOUS ACTION

On May 26, 2021, a short-form application was considered and approved, based on 68.5% of the change in the Consumer Price Index ("CPI"), between December 31, 2018, and December 31, 2020, resulting an average space increase of \$15.16 per month.

BACKGROUND

On June 8, 1988, the Escondido residents voted to approve Proposition K to enact Mobilehome Rent Control in the City of Escondido ("City"). Under Proposition K, if a park owner wants to increase the rent on a mobilehome rent control space, they must file an application with the City and obtain approval from



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the Mobilehome Park Rent Review Board (“Board”). This Board is an independent body comprised of the City of Escondido Councilmembers.

In 1997, the Board adopted changes to the Mobilehome Rent Review Board Guidelines to allow for the acceptance of a “short-form” application. The short-form is an abbreviated and less administrative burdensome application process for park owners and City staff. A park owner can request a rent increase based solely on the change in the San Diego Metropolitan Area’s Consumer Price Index (“CPI”), All Items/All Urban Consumers component since the last increase was granted by the Board. The requested increase may not exceed ninety percent (90%) of the increase in CPI since the last application was granted by the Board, or 8% of the current rent, whichever is less, subject to a two-year limit. Park owners are allowed to apply one-year from the date the last application was submitted.

Casa Grande Mobile Estates is a senior park located at 1001 South Hale Avenue, Escondido Ca, 92029. The Park has a total of 102 spaces with 101 spaces subject to rent control. The Park is requesting an increase for the 101 rent-controlled spaces. The amenities available for the residents include a clubhouse with a kitchen, pool table, Ping-Pong table, sitting area with large screen tv, Wi-Fi, and a library, a swimming pool and sauna, a BBQ, a greenbelt, RV storage, and coin laundry facilities.

Casa Grande Mobile Estates submitted a short-form application on August 1, 2022, (Attachment “1”). The short-form application was originally scheduled to come before the Rent Review Board on December 7, 2022. However, after careful consideration the hearing was postponed and the application was deemed incomplete, due to insufficient information regarding the sales of several of the spaces. Other factors leading to the long time line of this application include a change in park management staff and challenges obtaining the necessary information from previous management, and several staff changes in the Housing and Neighborhood Services Division.

City staff reviewed the final application and deemed it to be complete on December 20, 2023. City staff mailed a letter, written in both English and Spanish, on January 4, 2024, notifying the affected park residents of the application and proposed rent increase, upcoming residential meeting, and public hearing date (Attachment “2”).

The Casa Grande Mobile Estates short-form application was available for review at the Park office, Housing & Neighborhood Services Division counter at City Hall and the City’s website. City staff elected to post the application online on the Housing & Neighborhood’s website to promote transparency and remove potential barriers to access.

Housing & Neighborhood Services and Code Compliance staff facilitated an in-person meeting for the affected residents on January 22, 2024, at 6:30 p.m. Code Compliance conducted a lighting inspection on January 22, 2024 and completed an inspection of the common areas on January 23, 2024 (Attachment “3”).



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City staff mailed a 10-day notice written in both English and Spanish to residents on February 8, 2024 reminding them of the February 21, 2024 City Council Meeting (Attachment "4").

THE RENT INCREASE APPLICATION:

The application meets all the eligibility criteria for submittal of a short-form rent increase.

PARK OWNER'S REQUEST:

The Park is requesting an increase of 90% of the change in CPI for the period of December 31, 2020, to December 31, 2021. A park is allowed to request up to 90% of the current CPI. Under Section 12(E) of the Guidelines, it states "The Board must presume that up to ninety percent (90%) of the Consumer Price Index is a fair, just, and reasonable rent increase. However, the Board may consider any of the other Ordinance factors at the request of either the park owner or the affected residents in determining that a lesser increase is fair, just, and reasonable." These factors are referenced in Chapter 29, Article 5, Section 29-104(g) of the Escondido Municipal Code. Ninety percent of the change in the CPI is 5.714% for the period of consideration. Currently, the average monthly rent for the residents that are affected by this application is \$605.15. The average monthly increase requested for the eight spaces is \$34.58 per space, per month. This increase ranges from to \$17.79 - \$44.22 per space, per month.

RESIDENT MEETING AND COMMENTS:

All residents affected by this request were invited to attend a meeting in their clubhouse on January 22, 2024, at 6:30 p.m. The meeting was attended by 12 residents, the Park manager, and City staff. The application and the short-form hearing procedures were reviewed with the residents. Residents requested management look into smart meters through SDG&E, installation of security gates, new washers and dryers and a resident suggestion box. Park management informed the residents of several improvements that were coming including, pool resurfacing, new fencing around the RV parking lot, new mailboxes and posts, new furniture for the club house and new paint and flooring in the laundry room.

Residents elected Kristine Landweh to serve as the resident representative. City staff reinforced the Rent Review Board's request that the park representative and resident representatives meet before the Rent Review Board meeting to discuss park issues.



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CODE COMPLIANCE INSPECTION:

On January 22, a lighting inspection was performed by the Code Compliance Division; four lighting violations were identified. On January 23, an inspection of the common areas was conducted by the Code Compliance Division, Housing and Neighborhood Services Manager, Park Management, and a resident representative. Three general park violations were identified, including over grow trees and a broken swimming pool stair rail.

A notice was mailed to the park manager and owner informing them of the violations. (Attachment "3"). A reinspection was conducted and as of February 8, 2024, all violations were corrected (Attachment "5"). According to the Mobilehome Rent Review Board Guidelines, no increase granted for any park shall go into effect until any existing code violations are corrected.

ADDITIONAL FACTORS AFFECTING THE APPLICATION:

In conformance with the Rent Review Board Guidelines, the decision of the Board will be finalized by adoption of the Resolution confirming the findings of the Public Hearing. The Notice of Determination will be mailed to the applicant and residents immediately upon adoption of the Resolution. Park owners and management must give a 90-day notice of any rent increase to affected residents upon the adoption of the Resolution.

RESOLUTION

- a. RRB Resolution No. 2024-19

ATTACHMENTS

- a. Attachment "1" - Casa Grande Mobile Estates Application
- b. Attachment "2" - Resident Short-Form Letter Notification
- c. Attachment "3" - Code Inspection
- d. Attachment "4" - 10-Day Public Hearing Notice
- e. Attachment "5" - Code Letter Clearing Violations