

March 21, 2018

Michelle Smith, President
Crestview Mobile Home Residents Association, Inc.
6387 Mother Lode Drive #33
Placerville, CA 95667



Brian Veerkamp
District III Supervisor
330 Fair Lane
Placerville, CA 95667

Greetings Supervisor Veerkamp,

In preparation for the Board of Supervisor's meeting on April 3, 2018, I want to address the need for El Dorado County to protect its mobile home park residents. Most mobilehome park residents are seniors, or other individuals or families who live on low or fixed incomes. Affordable housing is at a premium in the County. Mobilehome park residents desperately need the protection of a Rent Stabilization Ordinance. We implore you to help us preserve and protect our way of life.

Mobile home park residents are in a unique situation. We own our homes but rent the lots they sit on. We are literally trapped in our situation because our homes are not mobile. There are 55 mobilehome parks in El Dorado County containing over 3,000 residents.

Predatory real estate investors are working their way from California's metropolitan areas to the foothills. The only thing that deters these predators are rent stabilization ordinances, which prevent them from buying mobile home parks and raising rents at will.

I am including a copy of "Factors Which Support a Rent Stabilizaion Ordinance" for your review.

Most Sincerely,

A handwritten signature in cursive script that reads "Michelle Smith".

Michelle Smith

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FACTORS WHICH SUPPORT A RENT STABILIZATION ORDINANCE

By Bruce Stanton, Esq. Corporate Counsel

1. Mobilehome rent control promotes health, welfare, and safety for a deserving segment of the community by setting up a regulatory framework within which park owners conduct business with their residents. The majority of mobilehome rent control ordinances have been enacted because park owners have unreasonably raised rents to a point where they become unaffordable, and the cost of moving the home, coupled with the unavailability of other spaces, gives the park owner a virtual “monopoly” of powers.
2. Because if the practice of many park owners to unjustifiably raise rents, the practical effect of the regulatory process in rent control is to keep rent increases within reasonable bounds.
3. In general, a history of rent control in California jurisdictions demonstrates that rent increases “within reasonable bounds” means those in line with inflation and consumer price indices, while ensuring the park owner a fair return on investment.
4. Without rent controls, park owners will invariably raise rents to the extent that those mobilehome park residents with fixed incomes will be forced out, thus forfeiting their equity interests.
5. As rents go up, the resale value of mobilehomes declines.
6. As rents are unreasonably raised, the ability of the homeowner to sell his or her mobile home diminishes, because a prospective buyer’s ability to receive financing is also dependent upon his or her ability to pay the rent for the space where the mobilehome is located.
7. Mobilehome owners have substantial investments in their homes and have the right to protection of their investments from abuses in the form of unreasonable rent increases.
8. Rent control is necessary to retain both mobilehome park housing and affordable housing within the County and is consistent with the County’s General Plan.
9. Rent control is a local program tailored by the County Board of Supervisors to meet the specific needs of its residents which can be met in no other way.
10. Rent control offers long-term stability for residents. As stated above, many of the residents are on fixed incomes and they need stabilization in view of the monopoly market in which they are trapped.

11. Rent control establishes a system to enforce controls that can be used for other disputes such as service reduction claims by residents.
12. Rent control stabilizes the park and enables parks to retain long-term residents who, without rent control, could be forced out, and rent would be raised substantially for new residents.
13. Rent control effectually discourages speculation by park owners and prevents economic syndicates from being formed for the principal purpose of buying the mobilehome park and then drastically raising rents and selling quickly for windfall profits.
14. Rent control is necessary for vacancy control to be in place, i.e. rent regulations that apply when a home is sold. When vacancy decontrol exists, rents skyrocket at the time of sale. Consequently, the price of mobilehomes plummets. For many fixed income individuals, such as seniors, the mobilehome is their only asset, in which they have a substantial investment. Consequently, a drastic increase in rent diminishes their investment and they are forced to move out or forfeit their investment. Due to a shortage of spaces and the high cost of moving a mobilehome, movement of the home from the park is not a viable option.
15. A properly drafted rent control ordinance restricts park owners to limited annual increases; however, it also should allow a procedure for the park owner to make a plea to an appropriate hearing body of the local agency for larger increases than what the ordinance automatically allows in order to ensure a fair and reasonable return on the property. This provision ensures that excessive rents will not be imposed on the tenants, yet guarantees a reasonable rate of return on the park owner's investment and keeps the mobilehome park operating for the benefit of both residents and owners.
16. Despite allegations that mobilehome rent control ordinances invite litigation, California and federal case law has expressly held that rent control legislation is constitutionally valid as a proper exercise of the police power so long as it is reasonably calculated to eliminate excessive rents, and, at the same time, provide park owners with a just and reasonable return on their property.