

# **THE 2020 COVID-19 PANDEMIC AND ITS IMPACT ON OXNARD'S MOBILE HOME PARK RENT STABILIZATION PROGRAM**

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**PRESENTATION BY**  
**CITY OF OXNARD HOUSING DEPARTMENT**  
**DECEMBER 2020**

# **WHAT THIS REPORT WILL COVER**

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- 1. Basic overview: What is Mobile Home Rent Stabilization?**
- 2. The COVID-19 Pandemic: How it impacts Mobile Home Parks in Oxnard**
- 3. Annual CPI Rent Increases in Calendar Year 2020: how the pandemic has impacted the rent increase process**
- 4. Effect of Pandemic on 2021 Rent Increases and possible homeowner protests of those rent increase**
- 5. How the Rent Increase Protest Process Works**
- 6. Impact of Pandemic on City's Administration of MHRP Program**

# **SECTION ONE:**

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***Basic overview of the City of  
Oxnard's Mobile Home Rent  
Stabilization Program***

# **WHAT IS “MOBILE HOME RENT STABILIZATION”?**

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**Rent Stabilization is **not**:**

a government subsidy for low-income persons or senior citizens

# **THEN EXACTLY WHAT IS OXNARD'S RENT STABILIZATION SYSTEM?**

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**Rent Stabilization is:  
government regulation of the  
price that a business may  
charge for a product (i.e.,  
increases in space rent)**

# **RENT STABILIZATION IS ALSO....**

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- *A system of administrative law under which the City is a neutral party*
- *Administered by City Housing Department staff with assistance from the City Attorney*
- *Paid for, half and half, by the 2900 homeowners and the 20 park owners in the City*

## **SECTION TWO:**

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***The 2020 COVID-19  
Pandemic and How it has  
Impacted Mobile Home  
Parks in Oxnard***

# COVID-19 PANDEMIC

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- First impacts of pandemic began in mid-March of 2000
- By mid-April, severe impacts felt throughout California: business shutdowns, emergency stay-at-home orders

# COMMON IMPACTS OF PANDEMIC ON MOBILE HOME PARK OPERATIONS

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- **Group activities curtailed**
- **Clubhouses, community rooms, exercise rooms closed**
- **Swimming pools closed**
- **Contact between residents limited**
- ***And of course, health impacts***

# **LEGAL EFFECT OF STATE AND LOCAL EMERGENCY ORDERS ON CITY'S RENT STABILIZATION SYSTEM**

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- Emergency Orders have limited the ability of landlords to evict tenants who are unable to pay rent due to loss of income resulting from the pandemic
- Emergency orders apply to mobile home owners who are unable to pay their full space rent
- City has no role in eviction process or in proceedings related to park owners' efforts to collect delinquent rent
- Legal right of park owners to apply for rent increase is not affected by Emergency Orders

# **SECTION THREE:**

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***Annual CPI Rent Increase  
Applications in Calendar  
Year 2020: How the  
pandemic has impacted the  
rent increase process***

# **C.P.I. RENT INCREASE APPLICATIONS IN 2020**

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- **Each of Oxnard's 20 mobile home parks has an established eligibility month for its annual CPI rent increase**
- **Eighteen parks have eligibility months which fall in the first half of the calendar year**
- **Applications must be filed at least 60 days before increase date (15 filed before 4/20/20)**

# 2020 CPI APPLICATIONS

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- State law requires parks to give 90-day notice to homeowners of rent increase
- Pre-pandemic: all parks except three had given this notice by April 1, 2020
- After duration and severity of pandemic became clear, one park decided not to file; one applied for a smaller rent increase; and one delayed its increase date

# **RELATIONSHIP BETWEEN TIMING OF RENT INCREASE APPLICATIONS AND ONSET OF THE PANDEMIC**

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- Sole mechanism for homeowners to challenge a CPI rent increase is by filing a formal protest alleging a reduction in services provided by park
- Filing a protest requires homeowners to draft a petition and collect signatures within a limited period of time after Notice of increase is given
- In all parks except three, the signature-gathering period had passed by mid-April

# THE RESULTS:

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- The impact of pandemic-related closures was not felt in most parks until after the 2020 CPI rent increase were in process
- No protests were filed
- Protest hearing would have had to show cost savings accruing to park in prior year in order to reduce 2020 rent increase

## **SECTION FOUR:**

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***Effect of Pandemic on 2021  
rent increases and possible  
homeowner protests of park  
applications for 2021 CPI  
rent increases***

# **NEXT YEAR: CALENDAR YEAR 2021 C.P.I. RENT INCREASE APPLICATIONS**

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- **As of December 1, 2020, City had processed rent increase applications for 2021 for two smaller parks which have few amenities (no pools, tennis courts, clubhouses, etc.)**
- **Applications have been received from four other larger parks which do have significant amenities; applications currently in process**

# **FORECAST FOR 2021 C.P.I. RENT INCREASES**

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- Hundreds of calls received from park residents asking whether parks can increase rents while homeowners are impacted by pandemic
- Staff anticipates some parks may forego or delay 2021 rent increase applications
- Possibility that homeowner groups in some parks which do seek 2021 CPI rent increases will file formal homeowner protests on basis of closures of amenities due to pandemic

# **SECTION FIVE**

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***How the Rent Increase  
Protest Process Works***

# **PROCEDURAL REQUIREMENTS FOR HOMEOWNERS FILING A C.P.I. RENT INCREASE PROTEST**

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- **Homeowners must draft petition specifying which services or amenities have been eliminated/reduced by the park**
- **Signatures must be collected from homeowners representing at least 25% of the mobilehome spaces in the park which are subject to the proposed C.P.I. rent increase**
- **Signatures should appear on same page as the petition which lists the alleged service reductions, and petition should be in a language that the signators understand**

# **PROTEST PETITION AND DESIGNATED REPRESENTATIVE**

- **The protest petition must designate one person to act as the representative of the homeowners for the purpose of the evidentiary hearing**
- **That person represents protestors in pre-hearing discovery and motions; may file requests for Subpoenas for Production of Records; and presents the homeowners' case during the evidentiary hearing before the Hearing Officer**

# THE PROTEST HEARING

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- An evidentiary hearing is conducted by an independent Hearing Officer
- Protesting homeowners have the burden of presenting evidence, through testimony, documents, photographs. Protesters' designated representative presents case, determines who testifies, and questions witnesses.
- Park management may cross-examine witnesses and present rebuttal evidence

# **THE TWO THINGS THE PROTESTING HOMEOWNERS MUST PROVE IN THE PROTEST HEARING**

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**In order to prevail, the protesting homeowners must present  
persuasive evidence in the hearing on two points:**

- 1. Since the last rent increase the park owner has  
reduced or eliminated services that were previously  
provided by the park; *and***
- 2. The amount of dollar savings which accrued to the  
park as a result of the service level reductions**

# **COLLECTING AND PRESENTING EVIDENCE**

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- Evidence of reductions in services: usually presented through eyewitness testimony, documents, photographs.
- Evidence of cost savings accruing to park: usually obtained through discovery process. Homeowners representative may file, prior to the hearing, Motions for Hearing Officer to issue a Subpoena for Production of Records.
- Example from a prior hearing: Hearing Officer ordered park to present prior years' bills for pool service, water, heater, etc., to show amount saved when pool was out of operation

# **ROLE OF CITY STAFF IN C.P.I. PROTEST HEARING PROCESS**

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- City is neutral; staff provides information, but cannot help either party present case
- Staff assists Hearing Officer, coordinates exchange of documents, hearing logistics
- City Attorney provides legal counsel to independent Hearing Officer

# **RESPONSIBILITIES OF THE HEARING OFFICER**

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- **Determine whether the homeowners proved that a specific service or amenity was reduced or eliminated**
- **If the Hearing Officer finds that a park did reduce or eliminate a specific service, he then must determine whether the homeowners presented persuasive evidence that a cost savings was enjoyed by the park due to the service reduction, (and if so, what is the dollar value of that savings)**

# AUTHORITY OF THE HEARING OFFICER

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- If the Hearing Officer finds that the protesting homeowners have met their burden of proof on both issues, the sole remedy he can impose is this: *reduce the prospective rent increase by a dollar amount equal to the savings enjoyed by the park due to the service level reductions*
- Hearing Officer has no authority to reduce rents below current levels, and has no authority to order a park to restore a service that has been reduced to eliminated.

# **SECTION SIX:**

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***Impact of the Pandemic on  
the City's administration of  
the Mobile Home Park Rent  
Stabilization program***

# **EFFECTS OF PANDEMIC ON CITY'S ADMINISTRATION OF THE RENT STABILIZATION PROGRAM**

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- City offices remain closed to public for most purposes
- Nearly all contact with park owners, park management firms, homeowners, and HOAs conducted via phone, computer, or Zoom meeting technology
- December 15<sup>th</sup> Board meeting conducted via Zoom
- Possibility of conducting future evidentiary hearings via Zoom or other remote-location connection technology

# **SUMMARY**

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- **Mobile Home Park Rent Stabilization system regulates the amount and frequency of space rent increases**
- **Homeowners may challenge a park's right to receive full CPI rent increase by filing a protest. Protests are adjudicated by a neutral Hearing Officer**
- **Impacts of COVID-19 pandemic may or may not affect the number of protests filed in 2021, and how those protests are decided**

# QUESTIONS?

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