



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Erik L. Soliván

SUBJECT: See Below

DATE: May 22, 2025

Approved

Date:

5/30/25

COUNCIL DISTRICT: Citywide

SUBJECT: Amendment to the Mobilehome Rent Ordinance

RECOMMENDATION

Approve an ordinance to amend the Mobilehome Rent Ordinance at sections 17.22.160 and 17.22.270, add a new section 17.22.235, and add a new Part 10 to Chapter 17.22 of Title 17 of the San José Municipal Code to make technical clarifying revisions to the definitions of the Mobilehome Rent Ordinance.

SUMMARY AND OUTCOME

For over 45 years, the City of San José (City) has regulated rents charged to residents of mobilehome parks. The Mobilehome Rent Ordinance (MRO) has always applied to mobilehome lots constructed before September 7, 1979, whether the dwelling structure occupying the space is a manufactured home, motorhome or recreational vehicle (RV) occupied on a permanent basis, as well as the rental of dwelling units occupying mobilehome lots on a permanent basis. At least 15 mobilehome parks in the City house residents in RVs on a permanent basis. Those mobilehome lots and rental units on mobilehome lots have been rented out in accordance with the MRO for the past four and a half decades. Lately, questions have arisen regarding the applicability of the MRO to RVs. To clarify the MRO's application to rents charged on all dwelling structures, including RVs, occupying mobilehome parks, the Housing Department recommends technical amendments to the MRO by specifically defining RV and the MRO'S applicability to rents charged by landlords to RVs occupying spaces in mobilehome parks.

BACKGROUND

In July 1979, the San José City Council adopted Ordinance No. 19696, regulating rents charged to residents in both mobilehome parks and apartment buildings. The original ordinance and subsequent amendments broadly define rent and rental unit. “Rent” included “the consideration, including any bonus, benefit or gratuity, demanded or received by a landlord for or in connection with the use or occupancy of a rental unit, or the assignment of a lease for such a unit, including housing services or subletting.” The definition of “Landlord” was broad and included owners, lessors, or sublessors who receive or are entitled to receive rent for the use and occupancy of any rental unit or portion thereof, and the agent, representative, or successor of any of the foregoing.¹ A “Rental unit” included dwelling units, mobilehome, or mobilehome lot offered or available for rent in the City together with the land and appurtenant building thereto, and all housing services, privileges, and facilities supplied in connection with the use or occupancy thereof, which unit is located in a multiple dwelling, boarding house, lodging house or mobilehome park.

In July 1985, the City Council adopted Ordinance No. 22020, separating mobilehome park rent control from apartment rent control by adding Chapter 17.22 to the San José Municipal Code (SJMC), titled the “San Jose mobilehome rental dispute mediation and arbitration ordinance” (Mobilehome Rent Ordinance or MRO). “Motorhome or recreation vehicle or similar unit” was added to the definition of “Rental Unit.”

The MRO’s express purpose is “to prevent excessive and unreasonable rent increases to mobilehome park residents and to prevent an exploitation of the shortage of available mobilehome lots in the City.” The MRO regulates the rents that are “demanded or received by a landlord for or in connection with the use or occupancy, including housing services, of a rental unit...” (see definition of “Rent” above, SJMC 17.22.240). “Rental Unit” under SJMC 17.22.270 includes “the land, with or without a mobilehome, and appurtenant buildings thereto and all housing services, privileges and facilities supplied in connection with the use or occupancy of the mobilehome or mobilehome lot.”

On June 24, 1986, the City adopted Ordinance No. 22284 and approved the updated MRO Regulations, adding definitions for Mobilehomes,² Mobilehome Lots,³ and Mobilehome Parks and revising the definition of “Rental Unit.” RVs, in particular, were

¹ The current definition of “Landlord” means “a mobilehome park owner, mobilehome owner, lessor or sublessor who receives or is entitled to receive rent for the use and occupancy of any rental unit or portion thereof, and the agent, representative or successor of any of the foregoing.” (SJMC 17.22.150) Regardless of ownership, those who receive rent for occupying a rental unit in a mobilehome park are subject to the MRO’s annual rent limits.

² SJMC 17.22.160 defines “Mobilehome” as “a structure transportable in one or more sections, designed and equipped to contain not more than one dwelling unit, to be used with or without a foundation system.”

³ SJMC 17.22.170 defines “Mobilehome lot” as “a portion of a mobilehome park designated or used for the occupancy of one mobilehome.”

listed in the MRO Regulations approved by City Council on June 24, 1986, as one of the types of covered properties under Section 1.01.01:

- Rental Units Subject to Review
(SJMC 17.22.270, 17.22.190, 17.22.350A.)
- a. Properties Covered by the Ordinance
The ordinance covers the rental of mobilehomes and mobilehome lots, located in mobilehome parks in the City of San Jose, for which a plumbing, an electrical or a sewer permit was issued on or before September 7, 1979. The ordinance also covers the rental of motorhomes, recreation vehicles and similar units located in such mobilehome parks where such units are used for human habitation on a permanent, as opposed to transient, basis.

The last amendment to the MRO occurred in 1993, related to rent increase limits. Since its adoption and through multiple amendments, the MRO and its regulations always applied to rents charged in mobilehome parks for both mobilehomes and RVs alike. The list of tenancies exempted from being covered by the MRO does not include RVs.

The State of California's Housing and Community Development department governs the operational components of mobilehome parks within the state, including the issuance of annual operating permits. The state is responsible for inspecting and enforcing mobilehome park infrastructure (e.g. sewer systems, paving, electrical), but local jurisdictions may regulate the rents charged to mobilehome park tenancies.

ANALYSIS

As noted above, the primary purpose of the MRO is to regulate the provision of permitted spaces for mobilehome and RV parking.

Mobilehome park owners are permitted to increase rents once a year to no more than the Maximum Allowable Percentage Increase. Each June, the Housing Department calculates the Maximum Allowable Percentage Increase based on the percentage change in consumer price index from April to April and notifies all mobilehome park owners what the Maximum Allowable Percentage Increase is for the period of October 1 of the current year to September 30 of the following year. On June 14, 2023, the Housing Department sent a notice letter to all mobilehome park owners stating a Maximum Allowable Percentage Increase calculation of 3.14% for October 1, 2023 to September 30, 2024, along with a multilingual flyer that is required to be posted in the mobilehome park office.

In late spring 2024, the Housing Department was informed that residents of a mobilehome park received a notice of rent increase far exceeding the Maximum Allowable Percentage Increase permitted under the MRO. The residents receiving these notices reside in RVs permanently occupying a mobilehome park which had recently changed ownership. The Housing Department exchanged several communications with the mobilehome park owner about the invalidity of the proposed rent increases on RV residents. The mobilehome park owner refused compliance, resulting in the Housing Department issuing a Compliance Order, pursuant to SJMC 1.14, that is currently in the enforcement process. The challenge to the order of compliance relied on a lack of an explicit definition that RVs are subject to the MRO.

The Housing Department's records indicate that at least 15 of the 58 mobilehome parks within the City have RVs on mobilehome lots. Each of these parks pays the annual per mobilehome lot fee charged for all of their covered mobilehome lots.

The Housing Department has been reviewing rental housing ordinances and regulations carefully as part of a larger department-wide regulatory update. The primary purpose of these updates is to improve implementation and clarity of the ordinances' provisions, to better align with state and local law, and to incorporate industry best practices. With the recent experience in enforcing the MRO with respect to RVs, the Housing Department felt it prudent to provide clarity within the ordinance itself. Therefore, the Housing Department recommends amending the MRO at sections 17.22.160 and 17.22.270, adding a new section 17.22.235, and adding a new Part 10 to Chapter 17.22 of Title 17 of the San José Municipal Code to make technical clarifying revisions to the definitions of the MRO. The Housing Department also recommends granting the City Manager, or their designee, the authority to promulgate and amend regulations for the administration and implementation of Chapter 17.22.

EVALUATION AND FOLLOW-UP

A second reading of these amendments will occur at the June 17, 2025 City Council meeting.

The Housing Department will continue its periodic reporting to the Housing Community and Development Commission regarding MRO program activities.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office and the City Manager's Budget Office.

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the June 10, 2025 City Council meeting.

COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

CEQA

Not a Project, File No. PP17-008, General Procedure and Policy Making resulting in no changes to the physical environment.

PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/
Erik L. Soliván
Housing Director

The principal author of this memorandum is Emily Hislop, Division Manager, Housing Department. For questions, please contact Emily.Hislop@sanjoseca.gov.