CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: Erik L. Soliván

SUBJECT: **See Below**

DATE: January 5, 2026

Approved Jennifer D. Maguire

Date: 1/10/26

COUNCIL DISTRICT: Citywide

SUBJECT: Proposed Amendment to Chapter 17.22 (Mobilehome Rent Ordinance) of the San José Municipal Code

RECOMMENDATION

Approve an ordinance amending Chapter 17.22 (Mobilehome Rent Ordinance) of Title 17 of the San José Municipal Code, to include the following substantive updates and cleanups:

(a) Add a mobilehome resident rights petition process to resolve rent disputes;
(b) Expand mobilehome park rental registration requirements;
(c) When a mobilehome is sold, permit a one-time 10% rent increase;
(d) Remove the exemption for leases longer than 12 months and outdated provisions to conform with changes in state law;
(e) Add a limited added benefit capital improvement petition process for landlords;
(f) Streamline the ordinance and the program regulations, separating policy and procedure; and
(g) Add an administrative appeal process for petition decisions.

SUMMARY AND OUTCOME

The proposed amendments to Chapter 17.22, Title 17 of the San José Municipal Code, balances the needs of mobilehome residents and park owners, maintaining rent stability while providing fair return and procedural clarity by modernizing the Mobilehome Rent Ordinance (MRO) aligned to the Housing Department's Rent Stabilization Strategic Plan as presented to City Council in September 2024. Amendments also reflect current law, allows for more efficient use of resources, ensures the continued protection of affordable mobilehome housing in San José, and provides additional mechanisms to allow mobilehome park owners to maintain and enhance their parks.

BACKGROUND

Since 1979, mobilehome lots in mobilehome parks within San José have been subject to the MRO.[1] San José has over 10,000 mobilehome spaces across 58 mobilehome parks subject to the MRO, including 11 parks that are exclusive to senior citizen households and four parks that contain lots for recreational vehicles.[2]

The MRO restricts the annual rent increase for mobilehome lots for which plumbing, electrical, and sewer permits were initially issued on September 7, 1979, or earlier, and for mobilehomes or recreational vehicles on those mobilehome lots. An individual owns their mobilehome, and they pay rent to the mobilehome park owner, who owns or leases the land on which the mobilehome is located. Alternatively, a mobilehome park or private party can own a mobilehome which is rented to a tenant. The MRO also protects a mobilehome park owner's right to receive a fair return on their investment.

City Council initially adopted Ordinance No. 19696 in July 1979, regulating rents charged to residents in both mobilehome parks and recreational vehicle parks. In July 1985, the City of San José (City) adopted Ordinance No. 22020 by adding Chapter 17.22 to the San José Municipal Code entitled "San Jose mobilehome rental dispute mediation and arbitration ordinance." On June 24, 1986, the City adopted Ordinance No. 22284, replacing and superseding Ordinance No. 22020, and simultaneously approved updated regulations implementing the MRO. The last material amendment to the MRO was in 1993, which reduced the annual rent increase limits from a flat 5% to a percentage of the change in the Consumer Price Index, referred to as the Maximum Annual Percentage Increase. Typically, the annual allowable increase does not exceed 3%.

City Council recently adopted technical amendments to the MRO to clearly restate the inclusion of recreational vehicles.[3] Aside from those amendments, no action has been taken to amend the MRO or the MRO Regulations in over 30 years.

In September 2024, City Council adopted the three-year Rent Stabilization Program Strategic Plan, which directed the Housing Department to implement improvements across all rental housing ordinance programs, including the MRO, that further the goals of housing stabilization, unit preservation, and outreach and engagement. The proposed

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[1] Mobilehome Rent Ordinance - https://library.municode.com/ca/san_jose/codes/code_of_ordinances?nodeId=TIT17BUCO_CH17.22MOREOR.
[2] Map of Mobilehome Parks by Council District - https://experience.arcgis.com/experience/f9b6362400eb464fad0909411337f905.
[3] Amendment to the Mobilehome Rent Ordinance, June 10, 2025, File No. 25-637. Weblink: https://sanjose.legistar.com/LegislationDetail.aspx?ID=7411006&GUID=33CF5DAE-F77B-4278-82FE-92B1B8536F1B&Options=&Search=.

amendments to the MRO further these goals by expanding tenant protections, balanced with providing a fair return to ensure long-term sustainability of the mobilehome sites.

ANALYSIS

The proposed MRO amendments will modernize provisions, reflect the current administration of the MRO program, and incorporate state law changes. Other changes include additional rights for both residents and park owners to maintain parity and fairness. The primary proposed amendments are summarized below.

Mobilehome Resident Rights Petition Process to Resolve Rent Disputes

A mobilehome resident rights petition will be added to the MRO to allow disputes to be resolved by the Housing Department's Rent Stabilization Program (Program) staff to address improper rent increases or illegal pass-throughs. Establishing a clear petition mechanism for mobilehome residents enhances accountability and creates parity with mobilehome park owner petition processes. This amendment also aligns the administration of the MRO with the City's Apartment Rent Ordinance, in which such resident petition processes already exist.

Park Rental Registration Requirements

A proposed amendment would require landlords to register all rental units annually to confirm contact information, report rent and tenancy changes, apply for exemptions, and provide updates on ownership. The registration system would be similar to the rent registry for properties covered by the Apartment Rent Ordinance. The MRO currently requires mobile home parks to submit a basic registration, which includes providing owner and manager information, an agent for service of process, and the number of lots in the park. Compliance with this requirement is rare, and even though the Program mails out registration forms every couple of years, it can be challenging for the Program to maintain up-to-date information for all mobilehome parks. Under the proposed amendments, all mobile home parks must submit rent data for both ownership and occupancy.

Permit a One-Time 10% Rent Increase When Mobile Home is Sold (Changes to the Decontrol Process for Mobilehome Transfers)

Vacancy *control* means that the lot rent charged to the new mobilehome owner is the same rent charged to the previous owner. Vacancy *decontrol* means that when a mobilehome unit becomes vacant and transfers ownership, the owner may set the lot rent without restriction. The proposed MRO amendment will allow a one-time rent increase of up to 10% at the time of sale and complete vacancy of the unit at the time of ownership transfer of the mobilehome. If the sale of the mobilehome occurs within 150

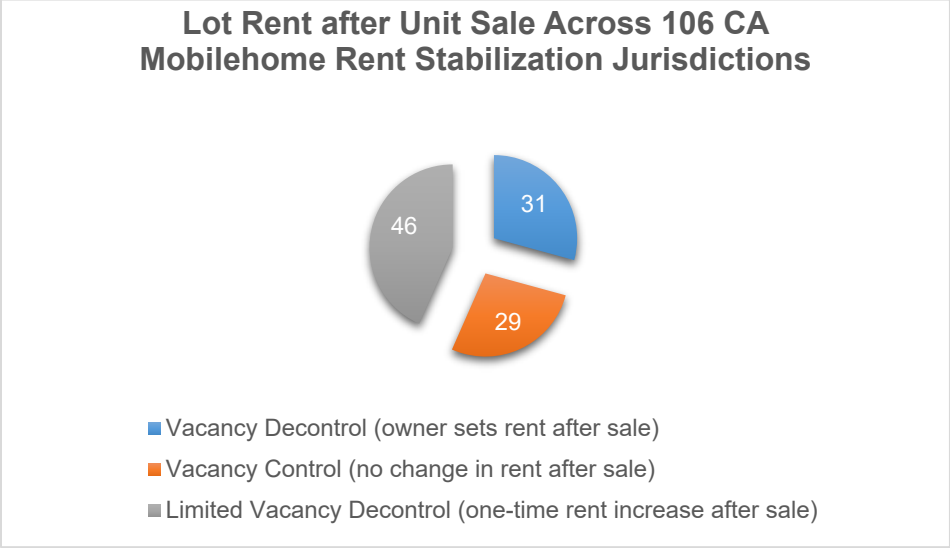
days of the park's Anniversary Date,[4] the park will not be permitted to apply the allowable annual rent increase for that year.

This provision does not apply when an owner passes away, and the transfer is made to a joint tenant, spouse, or heir, in accordance with the relevant provisions of the state Mobilehome Residency Law.

Other Cities and Counties with Mobilehome Park Rent Restrictions

A survey of the 106 jurisdictions in California[5] that regulate rents in mobilehome parks show that 71 cities or counties impose some form of vacancy control on mobilehome lot rents. Meaning that the lot rent remains the same or has a one-time adjustment upon the transfer of the mobilehome ownership. Figure A below shows a breakdown of the number of mobilehome rent stabilization jurisdictions with vacancy decontrol (31), those with vacancy control (29), and those with limited vacancy decontrol, which allows a one-time rent increase after the sale of a mobilehome (46).

Figure A – Distribution of Mobilehome Rent Stabilization Jurisdictions by Vacancy Control



Of the limited vacancy decontrol jurisdictions, 21 of the 46 jurisdictions allow a 10% rent increase, and eight programs allow rent increases exceeding 10% (ranging from 12% to 25%). The remaining 17 programs with limited vacancy control allow an increase that amounts to a percentage of inflation, a percentage less than 10%, a set dollar amount,

[4] Anniversary Date is the date which a mobilehome park may increase rents for all the units in the park pursuant to the MRO.
[5] https://mhphoa.com/ca/rso/

or an increase to match the average space rent. Table 1 provides an overview of this information.

Table 1 – Overview of Limited Vacancy Decontrol Jurisdictions

Limited Vacancy Decontrol	
Municipalities	**Post Sale Allowable Increase**
21	10%
8	12% to 25%
9	3% to 8%
8	% of Inflation

Increased Park Operating Costs over the Past Years

Most San José mobilehome parks were constructed in the 1960s and 1970s and are facing significant costs to repair or replace aging infrastructure. Since 2015, the costs of operating a mobilehome park in California have increased significantly. The most significant increases have been in insurance costs and utility infrastructure costs under the changes imposed by Assembly Bill 604, passed in 2024. Mobilehome parks in San José are responsible for maintaining, repairing, and replacing all their infrastructure (e.g., water, roads, sewer, and electrical system).

Residents and business owners across California have seen their insurance premiums skyrocket since 2015, largely due to many traditional insurers exiting the state due to wildfire and liability risks and increased re-insurance costs that insurance companies must pay. Data obtained for 19 of 58 San José mobilehome parks shows that insurance premiums have increased an average of 195% from 2015 to 2025.

Alignment with Other Rent Increase Limits on Affordable Housing

The MRO limits annual rent increases based on the rate of inflation each year, which has been 3% for most years over the past few decades. The Housing Department recommends no change to the annual rate. It is noted that the MRO annual rate of increase is less than the current annual rent increase limits for other affordable housing within San José. Landlords of apartment units subject to the Apartment Rent Ordinance may increase rents annually up to 5%. Annual rent increases for deed restricted affordable units (Low-Income Housing Tax Credit properties) are permitted by state law up to 5% plus the change in the Consumer Price Index.[6]

[6] This restriction was imposed by Assembly Bill 846 passed in 2024 to address larger increases in deed-restricted affordable properties where the allowable rents charges are tied to the Area Median Income, which has increased significantly in recent years.

With expenses increasing at a higher and faster rate than market rate increases, the one-time post unit sale of 10% increase in the lot rent is appropriately sized.

In addition, the proposed amendments permit the regulations to mitigate asset speculation, which is when a purchaser of a mobilehome does not intend to live in the unit and instead resells it within a short period of time. The purpose of this provision is to discourage speculative investing of mobilehomes, which are often purchased at foreclosure sales by individuals or entities who do not intend to live in the homes. The charge under the Housing Department's MRO is to maintain rent stability and to mitigate abuses of the program provisions.

Updating Provisions to Conform with Changes in State Law

The proposed amendments include the removal or revision of provisions to align with changes in state law. It includes the removal of a section that exempts units from the MRO if a resident voluntarily enters into a long-term lease of more than 12 months, which became effective on January 1, 2025, under Assembly Bill 2782. Other cleanups are to reconcile the MRO to state law for general program administration.

Added Benefit Capital Improvement Petition Process for Landlords (Limited)

A proposed new section will be added that creates a defined process for landlords to petition for added benefit capital improvement pass-throughs, limited to 2% of the monthly rent, in special circumstances. Eligible improvements are those that provide added benefits to residents, not merely replace existing capital improvements or improvements that maintain existing services as required under the current fair return process. Such improvements may include those that materially improve sustainability (energy or water conservation), accessibility, safety, or flood mitigation. Recovery of costs of other capital improvement projects can be sought through the streamlined fair return petition as set forth in the regulations.

Removal of Outdated Provisions

Other proposed amendments include removing outdated provisions and revising references to City administration and how the MRO is administered. For example, several sections of the MRO addressed provisions that only applied between 1991 and 1992. Another section concerning the consolidation of Anniversary Dates[7] was stricken as it applied to some parks only between the years 1987 and 1989.

[7] See footnote 4.

Separating Program Policy from Administrative Procedure

Additional proposed amendments include moving provisions on administrative processes to regulations, where real-time updates can be made in the Program's administration that reflect the ever-changing technological and fiscal environment. This includes procedural details regarding the filing of petitions, noticing requirements, the role of Program staff, and the conduct of administrative hearings. The separation of policy from procedure allows the Housing Department to update procedures more efficiently and effectively to improve program administration aligned with the goals of the Rent Stabilization Strategic plan.

Addition of an Administrative Appeal Process for Petition Decisions

The MRO currently does not have an appeal process for petition decisions filed by either park owners or residents. A mobilehome park owner or resident wishing to challenge some aspect of a hearing officer's decision must pursue an action in Superior Court, which can take years and incur costly legal expenses to the appellant and the Program. A new section is proposed, which introduces a formal appeal process allowing any party to a petition to appeal an administrative decision to the Housing Department Director. This new process provides due process, transparency, and consistency in the Program's adjudication of rent disputes. The Housing Department Director's decisions on appeal may still be appealed in state Superior Court through a writ of mandate.

This update is in line with the goals stated in the Rent Stabilization Program Strategic Plan of:

1) Ensuring accurate data collection to assist data-driven analysis;
2) Furthering active outreach and engagement by ensuring ownership and management contact information is current; and
3) Supporting compliance monitoring.

EVALUATION AND FOLLOW-UP

If approved by City Council, a second reading of these amendments will occur at the February 10, 2026 City Council meeting.

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

COST SUMMARY/IMPLICATIONS

The proposed amendments are anticipated to have a minimal fiscal impact. Any administrative personnel or non-personal/equipment costs related to additional petition

or registration processing will be absorbed within the existing Program budget in the Rental Stabilization Program Fee Fund, supported by annual fees assessed to covered units.

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 Council Agenda website for the January 27, 2026 City Council meeting. This item was also originally posted on the HCDC's Agenda website on November 6, 2025, for its regularly scheduled November 13, 2025 meeting.

Due to the cancellation of the November 13, 2025 HCDC meeting, the item was rescheduled for the HCDC's regularly scheduled meeting on December 11, 2025.

Public Input at the HCDC December 11, 2025 Meeting

In addition to input and questions from HCDC Commissioners, at least 34 members of the public provided public comment. Most of the participants during public comment identified themselves as mobilehome park residents. The following mobilehome parks had 28 participants identifying themselves as being residents:

Mobilehome Park Name	Speakers	Council District	Senior Park? (Y/N)
Oakcrest Estates	1	4	N
Peppertree Estates	1	7	N
Silicon Valley Village	5	4	N
Summerset Estate	1	4	N
Magic Sands	1	2	N
Imperial San José Mobile Estates	1	10	N
Golden Wheel	2	3	N
Coyote Creek	1	7	N
Mountain Springs	4	7	Y
Mill Pond I and II	3	7/9	Y
Quail Hollow	2	6	Y
Colonial Manor	3	2	Y

Mobilehome Park Name	Speakers	Council District	Senior Park? (Y/N)
Villa Teresa	2	10	Y
Town and Country	1	2	Y

Community Engagement Meetings

The Housing Department held the first of a series of community engagement meetings virtually on November 20, 2025. Mobilehome park owners, residents, and members of the public were invited to attend. Simultaneous Vietnamese and Spanish interpretation services were provided. At least 47 mobilehome park residents and owner representatives participated in the meeting.

A second virtual community engagement meeting was held on December 17, 2025. At least 29 members of the public participated in the meeting. Simultaneous Vietnamese, Spanish, and Mandarin interpretation services were provided.

Two more meetings will be held in advance of the January 27, 2026 City Council meeting. On January 12, 2026, an in-person meeting will be held at 6:00 p.m. at Leininger Community Center in Council District 7, where 17 parks are located. A final virtual meeting will be held on January 15, 2026. A mailer was sent in late December 2025 to the residents and owners of all 58 parks notifying them of the community engagement meetings and City Council meeting where the proposed ordinance amendments would be discussed.[8]

Staff from the Housing Department has had and will continue to have numerous communications, small group meetings, one-on-one meetings with community leaders, commission members, owners, operators, and residents. Written communications with the public regarding the proposed amendments can be found on the Housing Department's HCDC webpage.[9]

COMMISSION RECOMMENDATION AND INPUT

The Housing Department presented the proposed MRO amendments to the HCDC on December 11, 2025. HCDC Commissioners reviewed, asked questions, and provided input on the proposed amendments.

HCDC Commissioner questions and input mainly concerned the following topics:

[8] All meeting recording and information are available here https://www.sanjoseca.gov/your-government/departments-offices/housing/proposed-changes-to-mobilehome-rent-ordinance
[9] https://sanjose.legistar.com/MeetingDetail.aspx?ID=1363868&GUID=51E32E0B-DC64-4FA5-95DD-E3D8C6B9CA29&Options=info%7C&Search=&Refresh=1

- Changes, if any, to rent increase limits for current residents.
- Benefits or negative impacts related to the proposed one-time increase upon sale.
- Distinction between the proposed Added Benefit Capital Improvement petition and regular capital improvements that can only be included in a petition for fair return.
- Why amendments are being proposed.
- Impacts of fair return petitions on residents and the Housing Department staff.
- Information to be collected in the proposed rent registry.

Four motions were made by the HCDC members, which are notated below:

A motion was made to not accept the staff recommendation in the Proposed Amendments to the MRO. The motion passed 8-5-0-1. A motion was made to accept the staff recommendation in the Proposed Amendments to the MRO. The motion failed 4-9-0-1. A motion was made to accept only the MRO changes that conform to state law Assembly Bill 2782, with an amendment to include accepting the recommendation to establish the rent registry. The motion failed 3-10-0-1. A motion was made to accept only the MRO changes that conform to state law Assembly Bill 2782. The motion passed 9-4-0-1.

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
Director, Housing Department

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