

SPECIAL MEETING OF THE CERES CITY COUNCIL
January 19, 2006
Minutes

A Special meeting of the City Council was called to order at 7:05 p.m. by Mayor Cannella with the following in attendance.

PRESENT: Vice Mayor Phipps, Council Members Lane, Ochoa, Vierra, Mayor Cannella

ALSO PRESENT: Sheila Cumberland, Interim City Manager; Mike Lyons, City Attorney; Joe Hollstein, Director of Public Works; Doug Lemcke, Director of Parks, Recreation & Facilities; Nancy Brown, Interim Director of Planning & Community Development; Art de Werk, Director of Public Safety; Michael Borges, Acting Commander, Police; Cindy Heidorn, Deputy City Clerk

INVOCATION by Pastor Dave Broyles, Ceres Christian Church.

PLEDGE OF ALLEGIANCE to the flag led by Mayor Cannella.

Mayor Cannella prefaced the meeting by explaining to the audience that this was a Special Meeting of the City Council, to discuss Mobile Home Park Rent Control. (*The meeting was requested by the resident's of Colony Park Mobile Home Park, who recently received a notice from Equity LifeStyle Properties (ELS), owners of Colony Park, that their lot rents would increase \$85.00 per month on March 1, 2006.*) Mayor Cannella further stated that in preparation for the meeting, he had been in contact with several local and state officials, including the offices of Senator Denham, Senator Agazarian and County Supervisor DeMartini to discuss the issue of mobile home park rent stabilization. In addition to speaking with local and state officials, Mayor Cannella, Vice Mayor Phipps, Interim City Manager, Sheila Cumberland and City Attorney, Mike Lyons met with representatives from ELS, and secured the following verbal agreement:

ELS would implement the following increases for the residents of Colony Park:

- \$35.00/yr. lot rental increase for the years 2006, 2007 and 2008.
- A lot rental increase based on the CPI for the years 2009, 2010 and 2011.
- A lot rental increase based on market rate for the year 2012.

Mayor Cannella then gave a brief outline for the meeting:

1. Staff Reports
2. Senator Denham's Office
3. One hour for representatives in opposition of rent stabilization to speak
4. One hour for representatives in favor of rent stabilization
5. Two hours for public testimony
6. Bring back to Council for discussion

1. Staff Reports

Mike Lyons, City Attorney, gave a presentation outlining several issues involved in implementing and administering a mobile home park rent control ordinance. Among the areas discussed were:

- Legalities of implementing a mobile home park rent control ordinance.
- Pre-requisites a City must meet in order to invoke such an ordinance.
- Costs involved in trying to administer the ordinance.
- Common arguments in favor of a mobile home park rent control ordinance.
- Common arguments against implementing a mobile home park rent control ordinance.

Nancy Brown, Interim Director of Planning and Community Development, gave a presentation comparing the various mobile home parks in the County in terms of rent, size of parks, amenities and rental rates. Ms. Brown noted that Colony Park residents were paying the second-highest rental rates in the County. The highest rents were paid by Coral Wood Mobile Home Community in Modesto, also owned by ELS.

2. Senator Denham's Office

Kevin Stone, representing Senator Jeff Denham's office spoke briefly about various financial assistance programs available including a renters tax credit, care utility assistance, energy assistance programs, rehab loan assistance and Section 8 housing assistance. Mr. Stone also provided various forms for those in attendance and made himself available throughout the meeting to answer questions or be of assistance.

3. Representatives in Opposition of a Mobile Home Park Rent Control Ordinance

Leonard Shepherd, Ceres resident, spoke against any government intrusion in private lives. Unfortunately, prices increase every year for water, sewer, garbage, gas, rents, etc. but the government should have no control over a private business' ability to earn a profit.

Steve Breckenridge, Ceres resident, stated that he felt the implementation of a mobile home park rent control ordinance will not save homes but put more people on the street. Property owners will tire of not making a profit and begin to close the mobile home parks leaving the tenants with no where to go.

Deborah Howard, representing the Central Valley California Real Estate Association, commented that the Central Valley California Real Estate Association was opposed to rent stabilization of any type. She stated that rent control has a reverse impact on the economy by discouraging investments in rental properties. Rent control also decreases incentives for abatements. If the property owner is not making money, the property won't be maintained or improved.

8:15 p.m. Council recessed for a short break.

8:43 p.m. Council reconvened in open session.

4. Representatives in favor of a Mobile Home Park Rent Control Ordinance

Tammy Merren, President, Colony Park Resident Committee, thanked Council for their hard work prior to this meeting. She commended them on the verbal agreement they obtained from ELS. Ms. Merren stated that the Colony Park Resident Committee also met with ELS but were unsuccessful in reaching a compromise. Ms. Merren agreed that business owners deserve to earn a profit, but the profits being sought by ELS were exorbitant. The park is in a state of disrepair, and many of the amenities promised are either not there or not available at all hours. She urged Council to step in and help. She requested that Council file an injunction to stop the rate increase. Ms. Merren further requested that Council set up an escrow account and all rents be paid into the escrow account beginning March 1, 2006 until the matter is settled. She also requested that the City Council help take the issue of mobile home park rent control to the County and State level.

Sharon Burch, Secretary/Treasurer, Colony Park Resident Committee also urged Council to step in and stop their rental rate increase. She pointed out that most of the people living in Colony Park are on low or fixed incomes and will be forced out of their homes if the rate increase occurs. Although she admitted that she did not expect Council to enact a mobile home park rent control ordinance, she hoped that Council would help them negotiate with ELS to come to a more equitable agreement before the March 1, 2006 deadline.

Rebuttal

Steve Breckenridge, Ceres resident, commented that rather than have government control of rental rates, perhaps the residents could come up with some creative ways to increase their income such as renting out a room in their homes or approach the County to limit or set aside taxes for low income/hardship cases.

5. Public Testimony

The following residents of Colony Park spoke in favor of a mobile home park rent control ordinance:

Janet Borges
Merle Burch
Harold Cambra
Milagro Cermeno
Greg Hawkins
Bill Henrick
Joshua Kain

Mary Lybargen
Regina Maupin
Charles Sammons
Melinda Sammons
Bobby Schriber
Sherry Schriber
Art Williams

Additional proponents speaking in favor of a mobile home park ordinance were:

Judy Lawrence, Coral Wood Mobile Home Community, Modesto
Anita Valek, Coral Wood Mobile Home Community, Modesto
Irene Miller, Coral Wood Mobile Home Community, Modesto
Ms. McCurtis, representing Coral Wood resident, Modesto
Alfonso Barrigan

Among the reasons stated were:

- Many residents are on a fixed income and cannot afford to continue paying higher and higher lot rents.
- Mobile home owners are unable to secure a 2nd mortgage or reverse mortgage on their homes to help with living expenses, because they do not own the land their home sits on.
- The inflated lot rents are making it impossible to sell the mobile homes or forcing people to sell for much less than the mobile home is worth.
- The lots rents have increased so much that mobile home owners are unable to make needed repairs on their homes.
- The lots rents are increasing but Colony Park is not being maintained. There are several abandoned mobile homes that need to be removed as well as other code enforcement issues that need to be addressed. The amenities that are available are often broken or closed to residents.
- Rents can increase by as little or as much as the property owner decides. There are no long term contracts. The mobile home owner feels they have no control.

Other issues raised during the public discussion were the illegal activities taking place in the park and the perceived lack of police protection and several code violations creating health hazards and further decreasing the values of their homes.

Art de Werk, Director of Public Safety, was available at the meeting to speak to some of the residents with regard to their safety concerns.

Mayor Cannella remarked that the Department of Housing and Community Development (HCD) is the entity that enforces the building code requirements for mobile home parks. However, if anyone wanted to file a complaint, they could call the City offices and we would help them get in contact with the appropriate people.

10:15 There being no one else wishing to speak, Mayor Cannella brought the discussion back to Council and recessed for a short break.

10:25 Council reconvened to open session.

6. Council Comments

After some discussion Council concurred that while empathetic to the plight of the residents of Colony Park, they did not feel that on a city-wide level, we could make the findings necessary to impose rent control. The administrative costs and possible litigation expenses involved would not be a wise use of taxpayers money. Council is very concerned and wants to continue to help the residents of Colony Park. Mayor Cannella reiterated the terms of the verbal agreement he received from ELS. He explained that by the time a rent control ordinance could be in effect, the \$85.00/mo. rent increase would already apply. Colony Park residents will end up paying less in the long term, by accepting an agreement similar to the one verbally proposed by ELS, than they would if the City evoked a mobile home park rent control ordinance. Mayor Cannella promised to continue to work with ELS to help them reach an agreement and promised if he has not heard from ELS in two weeks, he will initiate another meeting.

Council thanked everyone for taking the time to come to the meeting to express their concerns.

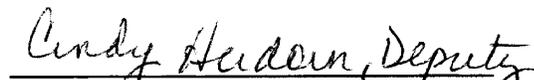
There being no further business, the meeting was adjourned at 10:40 p.m.

Respectfully Submitted:



Anthony Cannella, Mayor

ATTEST:



Cindy Heidorn, Deputy City Clerk

SEAL IMPRESSED

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