

CITY COUNCIL STUDY SESSION MINUTES

August 9, 2007

Mayor Cannella called the City Council Study Session to order at 5:30 p.m. with the following in attendance:

ROLL CALL: Council Members Lane, Ochoa (arrived 5:42 p.m.), Phipps, Vierra, Mayor Cannella

1. Mobile Home Park Rent Stabilization Update.

Brad Kilger, City Manager, presented a historical overview of the issue of mobile home park rent stabilization. The residents of Colony Park, one of eight mobile home parks located within the city limits of Ceres, became alarmed when their owners, Equity LifeStyle (ELS) initiated rental increases that residents perceived as unwarranted. In addition to Ceres, the Cities of Modesto and Riverbank and the County of Stanislaus also received many complaints from mobile home park residents of ELS owned parks in their jurisdictions concerning the issue of rising mobile home park rents.

A multi-agency ad hoc committee comprised of representatives from Modesto, Ceres, Riverbank and Stanislaus County was formed to study the issue. After several attempts to negotiate with ELS, the committee has not been able to achieve a satisfactory agreement to help mitigate the rapidly increasing rents.

The City of Modesto is now considering a solution independent of the committee which includes a rent control ordinance and an MOU that, if signed by mobile home park owners, exempts them from the ordinance.

Mike Lyons, City Attorney, presented several possible solutions for discussion including:

- 1) Independent Mobile Home Park Rent Control Ordinance
- 2) Multi-Jurisdictional Common Rent Control Ordinance with Cost Sharing
- 3) Multi-Jurisdictional Long-Term Lease MOU
- 4) Rent Subsidization Program for Low-Income Residents

Mr. Lyons pointed out that if the City chose to implement a rent control ordinance, the City would need to hire staff to administer the program and the legal fees to defend any legal action against the City would be exorbitant.

6:25 p.m. – Mayor Cannella opened the meeting for public testimony.

Those speaking in favor of a rent control ordinance:

- Sharon Burch
- Doris Alonzo
- Carolyn Erickson
- Betty Reese
- Betty Meyers

7:00 p.m. – Mayor Cannella recessed for a short break.

7:10 p.m. – Mayor Cannella reconvened the Study Session.

Those speaking in opposition to a rent control ordinance:

- David Jacques, Ceres resident
- Leonard Shepherd, Ceres resident
- Scott Kane, Ceres resident
- Steve Breckenridge, Ceres resident
- Donna Maden, Riverbank resident
- Robert Phelps, Ceres resident
- Larry Ridlan, Ceres resident

7:25 p.m. Mayor Cannella recessed for a short break.

7:29 p.m. Mayor Cannella reconvened the Study Session.

Doug Johnson representing Western Manufacturing Association, commented that his company is working with a committee comprised of the City of Modesto mobile home park owners and their residents on the MOU that Mr. Lyons spoke about earlier, Mr. Johnson stated that all of the park owners have agreed to sign the MOU except one, which is ELS.

Ray Newman, Modesto resident, stated that he too was working on the MOU with Mr. Johnson and other park residents and owners. Mr. Newman stated that although it was not a perfect process, he felt the MOU approach being considered by the City of Modesto, was a good solution.

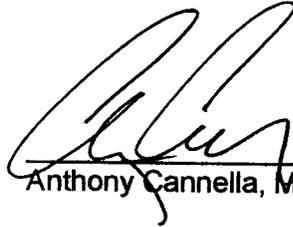
7:34 p.m. There being no one else wishing to speak, Mayor Cannella concluded the public comment portion of the meeting.

Council Direction

After considerable discussion, Council felt that, given the potential for litigation and the cost to administer a rent control program, a rent control ordinance was not an option for the City. The MOU approach that the City of Modesto is considering is not a viable option since it has to have a rent control component to be effective. Council directed staff to:

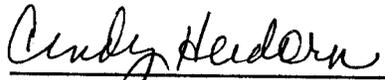
1. Investigate the possibility of a subsidy program to assist low/very low income residents and what we can realistically apply to the program so that we do not take away from programs we currently have.
2. Gather information on demographics and current rent structure other parks.
3. Investigate the accusations that ELS is allowing campers, trailers and tents to rent spaces in Colony Park, see if there is a code violation.

There being no further business, Mayor Cannella adjourned the Study Session at 8:17 p.m.



Anthony Cannella, Mayor

ATTEST:



Cindy Heidorn, Deputy City Clerk

