

✓ A Proposition

Affordable Housing in Jeopardy *by Mark Gillard*

Set in the context of growing concern over the availability of affordable housing, Measure A proposes to discontinue rent control for mobilehome residents in the City of Capitola. Claiming extensive administrative costs to the City to maintain the current ordinance and the unfair benefit for "middle and upper income mobile home park residents," park owners sponsored the upcoming ballot measure.

Initiated in 1979, Capitola's rent control ordinance protects space rent levels for local residents. Primarily inhabited by seniors, Capitola's mobilehome parks comprise a large part of the City's affordable housing market. With skyrocketing real estate values, many seniors look to mobilehome parks as their last safe haven. Mobilehome park owners argue that residents, many of whom own their own

mobilehome, take advantage of the assured low rent in obtaining higher values for their coaches upon sale. Park owners watch residents recoup the benefits of a bullish real estate market coupled with the desirability of steady rents and complain that their rental income does not reflect parity with the homeowners' growing assets.

Two years ago, Capitola's City Council streamlined the appeals process for space rent increases by establishing 60% of the Consumer Price Index as an acceptable base for annual rent increases. Mayor Jerry Clarke stated, "Prior to this change it was a very complex procedure that went through a hearing officer and that ended up with everyone having to provide so much information that it became difficult to administer. In the case of one of the parks, this new process amounts to



twenty minutes of staff time rather than hours and hours."

Throughout the existence of rent control in Capitola, the City offered a process where park owners could submit appeals for higher rent increases if their income did not reflect a fair rate of return upon their investment. In over ten years, only one mobilehome park owner applied for a fair rate of return appeal. Many point to this as evidence that park owners' profits reflect a satisfactory income on their investment.

Measure A repeals the City's rent control ordinance providing an appeals process for residents who qualify for "Section 8 (Very Low-Income Family) rental subsidy as defined by the Department of Housing and Urban Development for the Capitola area." For other residents, a ceiling of eight percent would be established for space rent increases. City Councilperson Ron Graves states, "A person on a fixed income would not

for low income status and allows for no retroactive reimbursement of increased rental costs during that year. The proposed ordinance would require residents applying for low income status to provide all information regarding their income including wages, salaries, tips and "payments received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar periodic receipts." Additionally, Measure A would require all low income applicants to prove that they have applied for any available public assistance. Capitola's Vice Mayor Stephanie Harlan states, "For many seniors who live on fixed incomes, the prospect of requesting public assistance and working their way through this proposed process would prove an insurmountable task damaging to their sense of pride and self-reliance. The effect would be the loss of many seniors who would feel forced to move

park owners justify part of their proposal on the cost of administering our current rent control ordinance for the City. Then they turn and propose a substantially more complicated and costly process to be paid for in fees by the owners which as they admit will be passed on to residents. It's unbelievable to me that these park owners would propose such a self-serving, unnecessary and damaging measure to the public."

In terms of the future for mobilehome residents, many point to resident park ownership as a solution. "I would like to see mobilehome park tenants own their own park to preserve the low and moderate stock in this community. But until then, we must keep rent control in place," stated councilmember Graves.

Arguments for Measure A will not appear on the ballot because they were submitted at the last minute by a non-resident of the City. The representative of the Western Mobilehome Association, representing park owners, submitted the argument leaving the City no time to alert the organization of the need to have a local resident place the argument.

As Measure A goes before the voters in Capitola, park owners claim they are only asking for what is fair and due them as businesspeople. Seniors and local leaders believe park owners already receive a fair return on their investment and maintenance viewing the proposal as a threat to an already declining affordable housing supply. Now it's up to the citizens of Capitola to say which argument will be supported. □

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be able to qualify for rent control under Measure A by virtue of the fact that they own their own coach. That's unacceptable."

The Measure requires at least twelve months of residency for a new resident to apply

to areas providing appropriate affordable housing."

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