

Capitola Won't Allow Guaranteed Rent Hike At Mobile Home Parks

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Capitola mobile home residents won big Thursday night as the City Council made an about-face by refusing to place a guaranteed yearly rent hike into its mobile home rent stabilization ordinance.

The council also moved toward repealing a so-called overlay rent clause, which allowed park owners to raise space rents when a coach changed hands.

Both recommended changes to the city's two-year-old ordinance will return in ordinance form at the council's June 10 meeting.

The two-hour-long hearing, attended by a large crowd of seniors, centered on a guaranteed yearly rent hike of 8 percent or less that was discussed two weeks ago. City Attorney Richard Manning presented the council with such an ordinance where park owners could get approval of their rent increase without need of a public hearing if it were under the 8 percent mark.

Instead, the council made rent hike public hearings before its rent stabilization board mandatory. They clarified a "fair rate of return" clause in its ordinance, directed toward park owners, to the applause of residents.

Future yearly rent increases will be granted, according to the new wording, "as necessary to produce a just and reasonable rent and not more."

In applying the standard, the rent board shall consider — among other things — increases or decreases in property taxes, unavoidable increases or decreases in operating and maintenance expenses,

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capital improvements at the park or whether there has been any change in the space available to the affected residents.

"Nothing in this ordinance," it continued, "shall be construed as automatically justifying a rent increase where the mere sale of a park results in the new owner having a higher capital investment than the former owner."

The latter clause represented definite clarification. More often than not, park residents found themselves faced with rent hikes after the park was sold and the new owner suddenly found themselves faced with larger-than-expected mortgage payments.

Bruce Davis, a park owner representative for Brookvale Terrace Mobile Home Park, drew the ire of Mayor Ron Graves and Councilman Michael Routh — the two senior members of the council — while discussing the proposed changes. Davis maintained the public hearing format "was not conducive" to productivity and expressed his preference for a joint council-rent board study session to revamp the ordinance.

Graves reacted by terming the suggestion a "direct insult." He cited the countless hours of hearings the council had already held.

Routh was even more forceful, noting

the fact that Davis was the "new kid on the block" — having been involved with a local park only for the past six months. "You don't know all the work we've gone into with this ordinance, the hearings we've held and you don't know what the hell you're talking about," he said, as the crowd cheered.

Testimony from park residents, meanwhile, involved their dissatisfaction with the current rent overlay section of the ordinance. It comes into play only when coach spaces change hands. New residents are required to pay a higher rent than their neighbors, as established in the overlay.

One by one residents stepped to the podium, maintaining that different rents created "friction" and represented "discrimination."

Bob Geer, a resident of Brookvale Terrace, commented:

"The man has a \$2 million park and wants to nick someone an extra \$15 a month. There's no reason to raise rents when a space changes hands. Throw the overlay out."

That is exactly what the council did, voting 4-1 to repeal that portion. Only Councilman Bob Bucher voted against.

It was unanimous, however, for staff to return with a revised overlay setting specific parameters, such as limiting the overlay to one-time only or only being in effect from the time the coach changes hands to the next rent increase.

Discrepancies were cited among park owners — some of whom were charging an overlay and also tacking on the rent hike to those spaces, as well.