Mobile-home ordinance overturned

Technicality makes future of rent control unclear

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SAN JOSE — Santa Cruz County's mobile home rent control ordinance has been overturned on technical grounds by a state appeals court.

In a ruling dated Monday and made public by attorneys for mobile home landlords Tuesday, the Sixth Appellate Court of California said the county did not follow the proper procedure when it amended the ordinance in 1987.

Although the decision's long-term effects remain to be seen, the ruling in favor of landords for the 50 mobile home parks could potentially affect some 4,000 mobile home residents in the county's unincorporated areas.

By law, the decision does not take effect for 30 days; in addition, state law requires 60 days notice before any mobile-home rents were increased.

County attorneys declined comment Tuesday regarding any possible action to stave off any rent hikes.

The ruling was the latest salvo in a long-running legal battle between mobile home landlords on one side and the county and tenants on the other. Currently, landlords have 15 claims for damages against the county as a result of the ordinance, which was passed in 1980.

This particular legal fight began in 1987, when the county revised the ordinance to put a limit on so-called "pass-throughs" by landlords.

Prior to the revision, landlords could pass on the costs of capital improvements — water, electrical, roads, etc. — to tenants if rent increases were limited to 10 percent.

However, under the new guidelines, landlords were only allowed

to pass on those costs if they paid 50 percent themselves.

The landlords' attorney, David Spangenberg of Burlingame, argued that if his clients were not allowed to pass on the full costs of such improvements to their tenants, the mobile home parks would be forced to close.

He argued since that would affect some 4,000 residents who would be forced to move elsewhere, it must meet California Environmental Quality Act guidelines and an environmental impact report would have to be performed.

County environmental coordinator Susan Williamson issued a negative declaration, meaning the revision would have no significant effect on the environment. However, since the 10-day review period covered a weekend and the Fourth of July holiday, landlords had only two full working days to appeal.

The appellate court ruled the county did not make a good faith effort to satisfy the CEQA notice requirements, finding it was not a "reasonable and sufficient" period of time.

In addition, the court found the county violated CEQA requirements by not issuing a formal document of negative declaration when it decided not to require an environmental review.

"Rather than recognizing the public's 'privileged position' in consideration of environmental matters, the county relegated the public to a decidedly underprivileged status," the appellate court said.

Spangenberg said the court's decision means the county ordinance is void.

"Basically it means the county has been operating since 1987 illegally without a rent control ordinance," he said. "The county will have to go through the full CEQA process, give proper notice and give owners the chance to show the environmental impact."

But Bob Taren, a Santa Cruz attorney who chairs the county's Mobile Home Commission, said it was too soon to judge what the full impact of the ruling would be.

"I don't think people should be panicked," he said. "I don't think it means we'll be seeing 100-percent rent increases."

He also criticized the landlord's motivations for filing the appeal on environmental grounds.

"The environmental program review was a spurious claim," he said. "I think it's unfortunate the court bought into it."