



## **CITY OF CAPITOLA MOBILE HOME PARK RENT STABILIZATION ORDINANCE INFORMATION SHEET**

On May 25, 2023, the Capitola City Council adopted a Mobile Home Park Rent Stabilization Ordinance (Ordinance). The Ordinance will be codified in Capitola Municipal Code Chapter 2.18. The City has prepared this summary to provide an overview of the Ordinance and responses to commonly asked questions. It does not constitute an exhaustive summary of the Ordinance and is not a substitute for the Ordinance. It also is not legal advice. Before taking any action based on the Ordinance, or in regard to your rights, you are urged to review the entire Ordinance and seek legal advice.

**The following are commonly asked questions about the Ordinance.**

### **What does the Ordinance do?**

The Ordinance limits rent increases for spaces covered by the Ordinance. As of May 25, 2023, space rent may only be increased by 5% of the base rent plus the average change in the Consumer Price Index, or 10% of base rent, whichever amount is lower. The landlord/ park owner is required to provide 90 days notice before any rent increase takes effect.

### **What spaces are covered by the Ordinance?**

All spaces are covered by the Ordinance unless they are exempt. The following spaces are exempt:

- Spaces that are subject to a lease that is longer than 12 months. (When the lease expires, the space is no longer exempt.);
- Spaces constructed within the last 15 years;
- Spaces that are exempt pursuant to State law;
- Spaces in mobile home parks that are owned by the park residents; and
- Spaces that are subject to any agreement that restricts rent increases in a manner more protective than the Ordinance.

### **How is base rent determined for spaces subject to the Ordinance?**

Your base rent is the amount of your rent on May 25, 2023, plus any increase that is authorized under the provisions of the Ordinance.

### **When is the first time my landlord/ park owner can increase rent for spaces subject to the Ordinance?**

The City Council will set an annual date when rent increases authorized under the Ordinance may occur.

### **How often can rent be increased for spaces subject to the Ordinance?**

Rents may be increased once every twelve months.

### **Can the rent be increased when the space is vacant for spaces subject to the Ordinance?**

Rent for a vacant space may be increased by 15%.



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### **I received a notice of a rent increase scheduled to go into effect on June 1, 2023. Do I have to pay the increased rent amount?**

It depends on whether the Ordinance applies to you. If an exemption (explained above) does not apply to you, the rent owed for June 2023 is the same rental amount you paid as of May 25, 2023. The landlord/park owner is required to go through the process outlined in the Ordinance in order to charge a higher rent. If you have any specific questions about your circumstances, the City recommends contacting an attorney for legal advice.

### **I was told that I am required to pay a rent increase because the Ordinance is unlawful. Is this true?**

No. The City Council adopted the Ordinance on May 25, 2023, and the Ordinance was effective immediately upon adoption. The Ordinance remains in effect until a court orders otherwise, or the Ordinance is modified by the City Council.

### **What happens if my landlord/ park owner wants to increase my rent by an amount higher than that permitted by the Ordinance?**

The procedure for a landlord/ park owner to increase rents beyond the amount permitted in the Ordinance is described in Sections 2.18.080 and 2.18.090. First, along with the notice of increase, the landlord/ park owner must provide the information required by Section 2.18.080B, including documentation supporting the proposed increase. The landlord/ park owner must then attempt to resolve the issue informally with the resident. If that is not successful, the landlord/ park owner must file with the Administrator two copies of the notice and the documentation supporting the increase. Any resident who is presented with a notice of increase higher than the increase permitted by the Ordinance may file a petition for review with the Administrator.

### **Who hears disputes regarding the Ordinance?**

The procedure for resolving disputes, including a landlord/ park owner's challenge to the amount of Base Rent, and a resident's challenge to a rent increase beyond that which is permitted by the Ordinance, is described in Section 2.18.090. Ultimately, disputes are resolved by an arbitrator, whose decision is final and binding on the parties, with the exception that either party may file a lawsuit challenging the ruling.

### **Will I be charged any fees for administration of the Ordinance?**

Maybe. The Ordinance authorizes the City Council to adopt, by resolution, a fee for administration of the Ordinance. At this time the City Council has not established such a fee.



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### **What if I believe the Landlord/ Park Owner is retaliating against me for exercising my rights under the Ordinance?**

The Ordinance prohibits retaliation against a homeowner, homeowner's representative, or a prospective homeowner for assertion or exercise of rights under the Ordinance.

### **What are the penalties for violations of the Ordinance?**

If a landlord/ park owner demands or receives rent in excess of that which is permitted under the Ordinance, a resident may file a civil suit against the landlord/ park owner. If you believe the landlord/ park owner is violating the Ordinance, please contact the Administrator to discuss next steps.

### **Who administers the Ordinance?**

The Capitola Community Development Director. The Administrator may be contacted by calling 831-475-7320 or by email at [housing@ci.capitola.ca.us](mailto:housing@ci.capitola.ca.us).