



Sunnyvale

Housing Strategy: Mobile Home Park MOU



Jenny Carloni
Housing Officer

2020 Housing Strategy

Approved October 13, 2020

- Mobile Home Park Policy
 - ◆ **Tier 1: MOU/Accord**
 - ◆ Tier 2: Rent Stabilization Ordinance
- Tonight:
 - ◆ Update on Progress
 - ◆ Council consideration of Draft MOU



Sunnyvale MOU

Background

- Stakeholders
 - ◆ Residents (SMHPA)
 - ◆ Owners
- Previous Council Action
 - ◆ Scope of Work
 - ◆ Consultant Budget
 - ◆ April 20 Feedback





Sunnyvale

Final Key Terms

Sunnyvale Mobile Home MOU

Sunnyvale MOU – Annual Rent Increase

Residents

- 75% of CPI
- 3% Floor
- No Ceiling

Owners

- 75% of CPI
- 3% Floor
- No Ceiling

Term Agreed Upon

Sunnyvale MOU – Rent Increase on Turnover

Residents		Owners
Option 1	Option 2	
<ul style="list-style-type: none">• 5% Year 1• 10%Year 2• 15%Year 3+• Limit Increase to once every 24 mos.• <i>Plaza Del Rey agrees to cap rent increase to \$2,250/mo.</i>	<ul style="list-style-type: none">• 5% Year 1• 10%Year 2• 12%Year 3+• Limit Increase to once every 24 mos.	<ul style="list-style-type: none">• 5% Year 1• 10%Year 2• 15%Year 3+• Limit Increase to once every 24 mos.• <i>Plaza Del Rey agrees to cap rent increase to \$2,250/mo. (indexed)</i>

Sunnyvale MOU – Term

Residents

- 10 years

Owners

- 20 years

Staff Compromise Proposal

Annual Rent Increase

- 75% of CPI
- 3% Floor
- No Ceiling

Rent Increase on Turnover

- 5% Year 1
- 10% Year 2
- 15% Year 3+
- *Plaza Del Rey agrees to cap rent increase to \$2,250/mo. (indexed)*

Term

- 20 years

Sunnyvale MOU – Key Terms

Terms Where Stakeholders Generally Align

- Pass Throughs:
 - ◆ Property Tax
 - ◆ Capital Replacement
 - ◆ New Capital Investments
 - ◆ Disaster Related Costs
 - ◆ Govt Mandated Costs
- Applicability to Existing Leases
 - ◆ Owners agree to add immediate lease addendum

Sunnyvale MOU – Key Terms

Terms Where Stakeholders Generally Align

- Implementation Oversight Stakeholder Group
- Safety Net Program
- Ensure Amenities Remain for Residents
- MOU Binding on Subsequent Park Owners

Sunnyvale MOU – Key Terms

Exclusions

- Renter Occupied Mobile Homes
 - ◆ Rental Parks (Thunderbird, Rancho, Aloha)
 - ◆ Within other parks
- Mobile home units not primary residences
 - ◆ Excluded by MRL and MOU

Next Steps

Sunnyvale MOU

- ◆ Final editing and any final negotiations of the MOU to take place over month of August.
- ◆ Owners execute MOU within 60 days of Council meeting.
- ◆ RSO to be prepared after confirmation of any Owners who do not sign MOU

Housing and Human Services Commission

Feedback from June meeting

- Encouraged final term agreement
- Owners should consider 75% CPI with 3% Floor to support those on fixed incomes and older residents
- Support for minimizing rent increases to once per 24 months
- Support for cumulative cap, rather than specific dollar cap
- **HHSC did not endorse or formally support any specific position**

Staff Recommendation

- Alternative 3
 - ◆ Authorize the City Manager to Execute the Sunnyvale Mobile Home Park Memorandum of Understanding, in substantially the same form as Attachment 1 to the report, with Staff's Compromise Terms; and authorize staff to prepare a Rent Stabilization Ordinance for any Owner who does not sign the final MOU.