



STAFF REPORT

DATE: 11/19/2025
TO: Honorable Mayor and City Council Members
FROM: Housing and Homeless Solutions, City Manager's Office

2025-433

REQUEST FOR CITY COUNCIL ACTION

SUBJECT:
MOBILEHOME PARK RENT STABILIZATION

EXECUTIVE SUMMARY:

This staff report asks the City Council to approve the first reading of Ordinance No. 3422 adding Chapter 5.47 to Title 8 of the Corona Municipal Code establishing Mobilehome Park Rent Stabilization provisions, adopt Resolution No. 2025-110 to establish fees for administration of the Ordinance, and adopt Resolution No. 2025-111 to declare the City Council's intent not to adopt rent stabilization provisions for anything other than mobilehome parks.

RECOMMENDED ACTION:

That the City Council:

- a. Introduce by title only and waive full reading for consideration of Ordinance No. 3422, first reading of an ordinance adding Chapter 5.47 to Title 8 of the Corona Municipal Code establishing Mobilehome Park Rent Stabilization provisions.
- b. Adopt Resolution No. 2025-110 establishing fees for Mobilehome Park Rent Stabilization Program.
- c. Adopt Resolution No. 2025-111 to declare the City Council's intent not to adopt rent stabilization provisions for anything other than mobilehome parks.

BACKGROUND & HISTORY:

June 2022: In response to requests from mobilehome residents for a rent stabilization ordinance (“RSO”), the City Council directed staff to develop an RSO program.

November 2022: The City Council directed staff to analyze mobilehome parks to determine if a “legitimate government interest” existed for rent stabilization (“Phase 1 Study”).

October 2023: RSG, the City’s RSO consultant, presented findings from the Phase I Study to the City Council. The findings indicated that a “legitimate government interest” exists for rent stabilization. The City Council subsequently directed staff to proceed with establishing a local mobilehome RSO and program.

August 2024: RSG completed a “Phase II Study”, which detailed various options for structuring a mobilehome rent stabilization program and best practices for the City Council to consider.

September 2024: RSG presented findings from the Phase II Study. The City Council directed staff to move forward with a mobilehome RSO and explore an in-lieu agreement with park owners.

November 2024: The City Council created an Ad Hoc Committee to further analyze the in-lieu agreement concept and gather information from the community.

March and April 2025: The Ad Hoc Committee convened two park owner workshops and two homeowner workshops to collect feedback on the in-lieu agreement concept.

June 2025: The City Council directed staff to exclude an in-lieu agreement option for the RSO and directed the Ad Hoc Committee to finalize its recommendations on key RSO provisions.

July 2025: The Ad Hoc Committee convened one park owner workshop and one homeowner workshop to collect feedback on key RSO provisions.

ANALYSIS:

On October 15, 2025, City Council provided staff direction on the components to include in the Mobilehome Park Rent Stabilization Ordinance. City Council direction addressed the structure of program administration for implementation of the RSO and parameters that would guide the fee study prepared by Willdan Financial Services for fees to be charged for implementation and administration of the RSO.

RSO Provisions

Consistent with City Council direction on October 15, 2025, staff has prepared the proposed final version of the Mobilehome Park Rent Stabilization Ordinance attached hereto as Exhibit 1. Below is a summary of some of the key provisions of the RSO based upon direction from the City Council:

1. Park Owner Submittal

- Each park owner must post a copy of CMC 5.47, give each current homeowner a copy, and give each prospective homeowner a copy before they execute their rental agreement.
- Each park owner must post a copy of any notices or other documents issued by the Department related to this chapter.
- If there is a sale or transfer of a park, the park owner must notify the Department of the sale or transfer, and provide required documentation about each buyer or transferee, as well as a written acknowledgement that they are aware of the requirements of CMC 5.47.
- On or before January 31, 2026, and on or before January 31st of each year thereafter, each park owner must provide to the Department and post a notice stating the maximum rent that will be charged for any mobilehome space in the park that becomes vacant during the subsequent February to January period.
- All documents and notices to be posted must be provided in English, Spanish, and other languages specified in the Mobilehome RSO Rules & Regulations. Only translations prepared by the Department are to be used.

2. Park Owner Notifications

- Each park owner must post a copy of CMC 5.47, give each current homeowner a copy, and give each prospective homeowner a copy before they execute their rental agreement.
- Each park owner must post a copy of any notices or other documents issued by the Department related to this chapter.
- If there is a sale or transfer of a park, the park owner must notify the Department of the sale or transfer, and provide required documentation about each buyer or transferee, as well as a written acknowledgement that they are aware of the requirements of CMC 5.47.
- On or before January 31, 2026, and on or before January 31st of each year thereafter, each park owner must provide to the Department and post a notice stating the maximum rent that will be charged for any mobilehome space in the park that becomes vacant during the subsequent February to January period.
- All documents and notices to be posted must be provided in English, Spanish, and other languages specified in the Mobilehome RSO Rules & Regulations. Only translations prepared by the Department are to be used.

3. Homeowner Representatives

- On or before February 15, 2026, the homeowners of each park must elect a homeowner park representative to receive all notices or other communications provided by the Department regarding this chapter. The representatives must use their reasonable best efforts to help the City communicate all Department notices and other communications to all of the homeowners in their mobilehome park.

4. RSO Administrative Fee

- By July 1, 2026, each park owner is required to pay the Mobilehome RSO Administrative Fee, \$60 of which may be passed through to the homeowners (equals \$5 per mobilehome space per month).

5. Annual CPI Rent Increase

- Permits annual increase equal to 100% of CPI increase from January to January of prior year or 3%, whichever is less.
- Department staff will calculate the permissible annual CPI rent increase for each mobilehome space on an annual basis.
- Park owners desiring to impose annual CPI rent increase must request certification of such increase from the Department.
- No fee is required for City certification.
- Any potential CPI increase not implemented in a given year may not be “banked” for future implementation.
- A CPI increase may not be imposed more frequently than once during any 12-month period.

6. Capital Improvement Rent Increase

- Permits a temporary rent increase based upon the costs to complete a new capital improvement or replace/substantially reconstruct existing improvements or facilities.
- Park owner must submit a petition for the capital improvement rent increase and pay a fee, 50% of which can be passed on to homeowners if the rent increase is approved.
- Park owner must notify homeowners of the proposed new capital improvement and corresponding rent increase and obtain majority approval of homeowners for new capital improvements; no advance notification or vote required for replacement/reconstruction of existing improvements/facilities.
- A capital improvement rent increase for new capital improvements cannot exceed the amount provided to homeowners as part of the above notification and vote requirement.

- Every capital improvement rent increase cannot increase the rent for any mobilehome space by more than 10%, unless due to extenuating circumstances as determined by the Department.
- The capital improvement rent increase shall be: (i) amortized over a period that approximates either the useful life of the capital improvement or, if there is more than one, their average useful life; (ii) consistent with the Mobilehome RSO Rules & Regulations; and (iii) apportioned equally among the affected mobilehome spaces.
- The park owner shall be allowed interest on the approved cost(s) at a rate published as of the date of the petition was lodged with the Department. The interest rate is based upon an average of 15-year fixed-rate mortgages published in the Freddie Mac Primary Mortgage Market Survey (PMMS).
- Capital improvement petition must be submitted within 2 years of the date the capital improvement is completed.
- The capital improvement must: be appropriate to the use of the park and for the primary benefit, use, and enjoyment of the park homeowners; have a useful life of at least 5 years; and be permanently fixed in place or stationary.

7. Fair Return Rent Increase

- Permits a permanent rent increase if required in order for park owner to receive a fair and reasonable return on investment.
- Park owner must submit a petition for the fair return rent increase and pay fee, 50% of which can be passed on to homeowners if the rent increase is approved.
- Fair return petition must be submitted within 6 months of the end of the year for which the park owner seeks a fair return rent increase.
- While the basic rules for the fair return rent petition are spelled out in the Ordinance, including the fact that the Maintenance of Net Operating Income ("MNOI") standard is to be used and net operating income received by the park owner in 2025 provided a fair and reasonable return, the details of how the calculations will be made will be further provided for in the Mobilehome RSO Rules & Regulations.

8. Homeowner Petitions

- Allows homeowners to petition for a one-time refund or permanent decrease in monthly rent or capital improvement rent increase, or a temporary rent suspension if park owner has demanded or received rent in excess of that permitted by the RSO, has failed to maintain the mobilehome park or

mobilehome spaces in a habitable condition, or has reduced housing services.

- Homeowner must submit a petition and pay fee, but fee will be refunded if requested adjustment is approved.
- Petition must be submitted within two (2) years from the date the homeowner knew, or reasonably should have known, of the condition(s) upon which the petition is based.
- No more than one petition may be submitted per mobilehome space within a 12-month period. No more than one petition based upon same factual circumstances within same mobilehome park may be submitted by any space during a 12-month period.

9. Vacancy Rent Increase

- Park owner may increase the rent for a mobilehome space without regard to the RSO in the event of a vacancy.
- The following are not considered a vacancy:
 - Transfers among immediate relatives if the new owner uses and occupies the mobilehome space as a principal residence.
 - Transfers between co-tenants who have occupied the mobilehome for at least 1 year, and the new owner uses and occupies the mobilehome space as a principal residence.
 - Transfers to a current or former spouse if the new owner uses and occupies the mobilehome space as a principal residence.
 - A replacement of an existing mobilehome on the same mobilehome space by another mobilehome that is owned by the same person or persons.
- Park owners desiring to impose a vacancy rent increase must request certification of such increase from the Department
- No fee is required for City certification.

10. General and Administrative Issues

- Park owners are required to include certain provisions in their rental agreements and are prohibited from including other provisions.
- Park owners are required to issue homeowners written monthly billing statements with the following itemized items: the applicable monthly base rent; each approved capital improvement rent increase; each applicable homeowner petition rent adjustment; if passed through by the park owner, the homeowner share of administrative fee; and each homeowner additional monthly charge.

11. Enforcement and Appeals

- Violations of RSO may be enforced with administrative citations or civil actions.

- Park owner that demands or accepts rent in violation of the RSO shall owe homeowner damages equal to 3 times the amount of the excessive rent.
- All decisions by the City under the RSO may be appealed pursuant to CMC Chapter 1.09, which authorizes the appeal to be heard by an independent hearing officer (typically the Office of Administrative Hearings).

Resolution of City Council Intent

Furthermore, to address resident concerns about citywide rent stabilization provisions that would expand into apartments and other rental units, City Council directed staff to develop a resolution to declare the City Council's intent not to adopt rent stabilization provisions for anything other than the mobilehome parks impacted by Ordinance No. 3422.

Resolution Establishing Fees

The City hired Willdan Financial Services to prepare a fee study to determine the appropriate fees to be charged for the administration and implementation of the RSO, as well as the processing of petitions submitted by park owners and homeowners for rent adjustments. Willdan's fee study, which is attached as Exhibit 4, has proposed the fees set forth below based upon a determination that these fees do not exceed the estimated reasonable cost of the City's administration and implementation of the RSO and processing of petitions for rent adjustments authorized by the RSO.

Fee Title	2026 Fee Amount	2027 Fee Amount
Mobilehome RSO Administrative Fee	\$99.00 per mobilehome space per year	\$62.16 per mobilehome space per year
Capital Improvement Petition Fee	\$10,500 per petition	\$10,500 per petition
Fair Return Petition Fee	\$25,000 per petition	\$25,000 per petition
Homeowner Petition Fee	\$100 per petition	\$100 per petition

Resolution No. 2025-110, attached hereto as Exhibit 2, would establish the above fees.

As indicated above, the RSO currently allows for \$60 of the Mobilehome RSO Administrative Fee to be passed through to the homeowners, resulting in a \$5 monthly charge for each mobilehome space. Additionally, 50% of the Capital Improvement Petition Fee and 50% of the Fair Return Petition Fee may be passed through to the

homeowners if the rent increase proposed by the petition is approved. Finally, if the rent adjustment proposed by the homeowner petition is approved, the Homeowner Petition Fee will be refunded to the homeowner.

COMMITTEE ACTION:

The elements of Ordinance No. 3422, Resolution 2025-110, Resolution 2025-111, and the Willdan Fee Study Report are consistent with the recommendations of the Ad Hoc Committee and Council direction on October 15, 2025.

FINANCIAL IMPACT:

It is anticipated that the proposed fees will offset most of the costs associated with implementing a Mobilehome Park Rent Stabilization Ordinance; however, the proposed Ordinance may not be 100% revenue-neutral. Staff will monitor fee revenues and programming expenses and periodically report back to the City Council on the program.

ENVIRONMENTAL ANALYSIS:

This action is exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the common sense exemption that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. This action involves the establishment of regulations and fees concerning the administration and implementation of rent adjustments for mobilehome spaces. These actions will not have a significant effect on the environment. Therefore, no environmental analysis is required.

PREPARED BY: KAREN ROPER, HOUSING & HOMELESS SOLUTIONS MANAGER

REVIEWED BY: JACOB ELLIS, CITY MANAGER

ATTACHMENTS:

1. Exhibit 1 – Mobilehome Park Rent Stabilization Ordinance No. 3422
2. Exhibit 2 – Resolution No. 2025-110
3. Exhibit 3 – Resolution No 2025-111
4. Exhibit 4 – Willdan Financial Services Rent Stabilization Ordinance Fee Study Report