



City Council Meeting
Public Comments
August 14, 2024

From: **patricia borchmann** <pborchmann9@gmail.com>

Date: Wed, Aug 14, 2024 at 10:03 AM

Subject: Support Current Business, Agenda #8, \$665,000 USDA grant, Urban Forest Management Plan

To: Zachary Beck <zbeck@escondido.org>, Christopher W. McKinney <cmckinney@escondido.org>

Cc: patricia borchmann <pborchmann9@gmail.com>

I join many other Escondido stakeholders, who strongly support Council action to authorize acceptance of the \$665,000 grant from USDA for preparation of the **Urban Forest Management Plan**. **The grant requires no matching funds, and will be an important step forward to implement elements of the Escondido Climate Action Plan ECAP.**

The 3-year grant program provides funding for tree planting and related activities in urban areas with a priority on disadvantaged and overburdened communities. The grant objective is to facilitate municipal incorporation of programs and policies guiding tree maintenance, offsetting extreme heat, and improving access to nature in cities.

It provides an opportunity to elevate biological habitat Citywide, by specifying the introduction of native landscape materials as a requirement. This item would also be consistent with earlier ECAP recommendation to form a Climate Commission, to monitor and oversee the ECAP implementation. I expect forming the Urban Forest Management Plan will qualify Escondido as a recipient of future funding cycles, and possibly other funding sources, so this is a smart fiscal action.

Stakeholders appreciate staff efforts to apply, and compete for USDA funding, and the preliminary work by Escondido Green Latinos by preparing basic grant applications at an early stage.



Western
Manufactured Housing Communities
Association

August 13, 2024

The Honorable Dane White, Mayor
The Honorable Christian Garcia, Deputy Mayor
The Honorable Consuelo, Council Member
The Honorable Michael Morasco, Council Member
The Honorable Joe Garcia, Council Member
City of Escondido
201 North Broadway
Escondido, CA 92025

RE: Item #9: Amendment to Mobile Home Rent Review Guidelines

Dear Mayor and Council Members:

Escondido's mobilehome parkowners are in support of Item #9, Amendment to Mobile Home Rent Review Guidelines.

Parkowners and residents worked through concerning issues to avoid a ballot initiative fight in November of 2020. The proposed ballot initiative would have split the city in two with an expensive and divisive campaign. Residents and parkowners were able to find agreement and the City Council adopted amendments that we believe reflected the stakeholders' agreement. Come to find out, that wasn't the case. The adopted language either didn't reflect and/or staff didn't interpret consistent with the agreement. This became clear at the November 2023 Eastwood Meadows long-form application hearing. Since that time, we have been working with the City Attorney's office to cure this discrepancy. ***Agenda item #9 will make the needed corrections to the Rent Board Guidelines.***

The 2020 Grand Bargain

In 2020 two major changes were adopted to avoid a ballot box fight-the full vacancy decontrol formula was changed to a partial and the CPI indexing went from 75% to 90%.

Residents have been outspoken against the full vacancy decontrol elements of Measure K for a long time. They feared with no cap parkowners could set rents so astronomically high they

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would have no hope of ever selling their homes. While there isn't any study or anecdotal practices in Escondido to indicate such, the parkowners acknowledge this is a fear the residents have. Parkowners like the ability to set rents at market for the incoming resident because prospective residents, usually coming from outside Escondido, make purchasing decisions with their eyes wide open knowing and attesting that they can afford the lot rent *and* the purchase price of the home. Also, and most importantly to existing, in-place residents, is that parkowners can avoid special rent increase applications (long-forms applications) for property taxes, capital improvements, fair rate of return, etc. The assurance that a parkowner will be able to "catch up" from sub-inflationary annual rent increases when the home ownership turns over defers the submission of long-form applications. Constraining that ability with partial decontrol increases the frequency of expensive long-form applications which are harmful and can create hardships to existing residents. Unfortunately, we are seeing this play out in Escondido since the 2020 amendments.

The "2020 Grand Bargain" changed the guidelines from full vacancy decontrol to a cap of the average of the park spaces plus 8%. Using the average of the park is important, and there was a long discussion on this point. Residents who have been in place for 20-30 years have very, very low rents—below \$400. With a simple 8% permissible increase for a new homeowner, would set the new rate at \$432. This is confiscatory and completely unworkable. If you bring the space up to the average of the park and add 8%, it allows for that needed "catch-up" after residents benefited from decades of below market rents.

The indexing of the CPI has been another long, drawn-out battle between parkowners and residents throughout California for 40 years. The leading government consultant on this matter, Ken Barr, suggested that since park owners don't have costs of some of the actual elements that make up the CPI, they aren't entitled to those portions of it. This is a not an intellectually honest argument because senior citizens don't have all the costs of every element that makes up the CPI, yet their social security COLA is based on the entirety of the CPI. Its notable that Ken Barr, in his later years of consulting, backed off this recommendation and advocated for a full 100% of CPI when cities are crafting mobilehome park policies. Even when the expert from RSG, Escondido's consultant, attempted to explain the partial indexing at the Eastwood Meadows hearing, suggested it was based off the concept that "parkowners don't buy eggs".

Partial indexing of CPI is not evenly applied. Before the amendments, the guidelines allowed for 75% of CPI for short-form applications and essentially 60% of CPI for long-forms. During the negotiations, the residents wouldn't abandon a partial CPI indexing and held firm at 90% and this increase became acceptable to parkowners. **The "2020 Grand Bargain" changed the CPI indexing from 75/60% to 90%.** The 2020 amendments didn't address the long-form standard which was overlooked. This updated and correction to the guidelines is warranted.

There is one other additional change that we believe is also non-controversial and that is the ability for a parkowner to back out an increase that inadvertently goes over the cap, refund or rebate the offending space rent increase(s) and allow the owner access to the short-form.

These agreements were summarized in EMPAC's lawyer's email. It has been my experience these type of stakeholder, negotiated agreements are the most complicated to summarize and execute. The two sides can go back and forth, and the result is a complex formula that is difficult to understand and apply. **The proposed amended language for your consideration will cure these oversights and allow the guidelines to accurately reflect the "2020 Grand Bargain".**

Too often the competing interests between parkowners and residents are exploited. The truth is we have a lot in common; both parties desire well-run communities that are sustainable for years to come. Parkowners always welcome the opportunity to discuss issues and our door remains open.

Please feel free to contact me directly with any concerns about this recommendation.

Sincerely,

A handwritten signature in cursive script that reads "Julie Paule".

Julie Paule, Regional Representative

EMPAC comments to proposed Rent Review Guidelines,, (19983

Page 4 A 2nd Paragraph

The 60% of CPI was accepted many years ago based on Rutgers Law Review, Vol. 35, pages 723-88 summary along with numerous other studies. These studies concluded that only a portion of the CPI items pertained to Park operating costs, exceptions being food, entertainment, medical care, shelter, apparel and more. Please see attached recent CPI charts from the Bureau of Labor Statistics, which are also in agreement. Our comment is to maintain using the 60% rate included in the EXISTING GUIDELINES as written.

Page 6 J the last paragraph

This requested change clearly violates Civil Code MRL 798.49(d)(3)

Page 9 M-L

The EXISTING GUIDELINES need to remain in effect as written. Each Park has a few long-term residents who have been contributing to the Park's income for 20 or 30 years. The proposed change would delete the words "UP TO" and add the word "PLUS". This Change will cause severe harm to the few remaining long-term residents.

Fast growing attrition in the near future will bring low rent rates to Market levels.

Examples: Carefree Ranch – 184 spaces – less than 7% are long-term residents with lower rents.

Casa Grande Estates: 102 spaces – less than 7% are long-term residents with lower rents.

The EXISTING GUIDELINES for this paragraph were the result of a Negotiated Agreement between EMPAC, Park Owner representatives and the City. RRB 2020-04R. Those terms and conditions listed in the EXISTING GUIDELINES ARE Fair, Just and Reasonable – the proposed changes are not.

Page 9 M-L #2 a-b

Delete this section (red copy) This item is already included on Page 10 #2 (d-e)

Pages 10 and 11 Sec. M-L #8 Last Paragraph

Delete blue copy from last paragraph, Page 10 and first paragraph, Page 11. Suggest this section read as follows.

8a. Park owner agrees to not use the Short Form application for five years if the City's Rent Review Board, including Housing Department determines that the Park Owner increased space rent in violation of subsection M.

8b. All RRB decisions relative to any rent increase application must be JUST, FAIR AND REASONABLE. (Prop K – 29-104(g))

NOTE: Additional information regarding sec, M-L - #7 Page 10

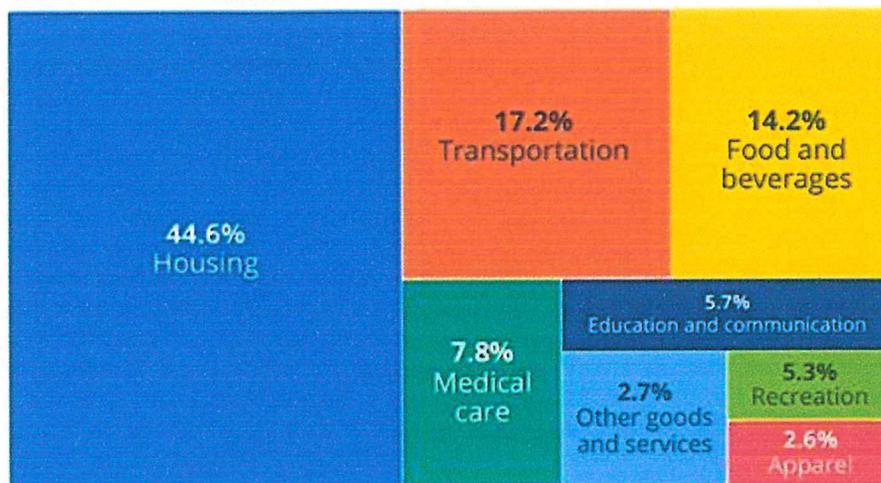
There is a need for stronger enforcement of non-compliance. Park Owners have failed to furnish information specified in (a) (b) e (h).

The last Annual Survey received is dated 7/1/21 through 6'30'22. Also, numerous parks neglected to include required information on the report. The latest Annual Space Rent (all parks) is dated July 1, 2021. EMPAC has made numerous requests for up-dated information with no reply.

This information is necessary for oversight of non-compliance. This enforcement request is left to the discretion of the Rent Review Board.

The Components of the Consumer Price Index

Relative importance of expenditure categories in the Consumer Price Index for All Urban Consumers



As of September 2023
Source: U.S. Bureau of Labor Statistics

