

# Escondido Mobilehome Rent Review Guidelines

## Vacancy Control FAQs



### **What is Vacancy Control?**

Vacancy Control means rent remains at a fixed price or may increase by a predetermined rate when a new tenant signs a lease. Section 12.M of the Guidelines controls the enforcement of the Vacancy Control regulations.

### **What is the Maximum Amount a rent may go up during a transfer of ownership?**

Under the Guidelines, when an “in-place” transfer or other sale or conveyance of a rent-controlled mobilehome occurs, the Park owner may increase the space rent up to 8% of the “Average Space Rent” or 8% of the “Final Space Rent,” up to \$950 as of July 1, 2020. The Average Space Rent is the total amount of rent charged for all resident-owned spaces divided by the number of resident-owned spaces, as calculated on the most recent annual rent control survey. The “Final Space Rent” is the rent charged for the final month of rent before the transfer, sale or conveyance. The \$950 maximum rent will be adjusted/increased by the Consumer Price Index (CPI) starting on July 1, 2021.

### **Does the 8% maximum increase for turnover apply to both Rent-Control and Long-Term leases?**

Yes, the 8% maximum increase applies to turnover of both rent-control leases and long-term leases sales, unless the long-term lease has a valid and enforceable “transfer clause” written into the lease terms. Section 12.M will not invalidate the terms of existing long-term leases that have a transfer clause in place. Otherwise, whenever there is a sale, transfer or other conveyance of a rent-controlled mobilehome in the Park, a rent increase will be capped at a maximum of 8% of the last month of rent for that space or a maximum of 8% of the average rent in the Park.

### **Why does this apply to Long-Term Leases?**

At their core, all spaces in Escondido are subject to rent control. However, certain leases exempt the space during the term of that lease from the rent control Guidelines. Spaces revert to rent control at the end of the long-term lease. Section 12.M will not apply to long-term leases that include a valid transfer clause.

### **Can the Park raise the rents above the 8% maximum for turnover?**

Yes. Vacancy Control was implemented to help homeowners sell their homes by encouraging Park owners to cap their increases at a maximum of 8% of the last month of rent or the Park average. Under Section 12.M of the City’s Mobilehome Rent Review Guidelines, Park owners are eligible to continue to use the short-form application for a rent increase and request 90% of the change in CPI for the application period. However, the Park owner can choose to increase the rent above the 8% cap. If the Park chooses to go above the 8% maximum, they will not be eligible to file a short-form rent increase application for a period of 5 years from the date of the last non-compliant rent increase.

### **Can the Park Owner apply for a rent increase via a Long-From application?**

Yes. If the Park raises the rent above the 8% cap for turnover, they are not eligible to apply for a short-form application for a period of 5 years from the date of the last non-compliant rent increase. They would instead have to apply for any increase via the long-form rent increase process if they want to apply within that 5-year period.

**Does this apply to spaces the Park owns?**

No. The 8% vacancy control cap only applies to sales where there is a transfer of ownership. If the Park owns the space and the coach, when a new tenant moves in, there is no transfer of ownership and therefore, Vacancy Control will not apply to that space.

**Does Vacancy Control apply to sales where the existing coach is removed, and a new coach is brought in?**

No. The 8% vacancy control cap only applies to “in-place” transfers, sales where the same coach remains on the lot.

**Where can I file a complaint if my rent was raised over 8%?**

It is not a violation of a City ordinance or the Guidelines for the Park to raise rents over 8% at turnover. However, if the turnover rent is raised over the 8% maximum, the Park will not be eligible to file a short-form rent increase application for a period of 5 years from the date of the last non-compliant rent increase. The City will monitor these transactions. You can submit documentation of turnover rents above the 8% maximum to Belinda Rojas, Program Administrator, via email at [brojas@escondido.org](mailto:brojas@escondido.org) or regular mail to 201 N. Broadway, Escondido, CA 92027. The City will keep a record of these transactions to ensure Parks that raise the rents above the 8% maximum are not be eligible to apply for a short-form application within the 5-year period.

**Why is Vacancy Control now the rule in Escondido?**

In mid-2020, negotiations between Park owners and residents resulted in an agreement with the City to amend the Guidelines. Park owners and residents both compromised aspects of their demands and needs in order to achieve this immediate benefit as opposed to taking the issue to the ballot box for uncertain results with the voters. Staff was notified that an agreement was reached between the two parties on June 16, 2020. On June 24, 2020, Council approved Resolution RRB 2020-04R formalizing this agreement by amending the Guidelines.

**What happens if the Park does not complete their Annual Park Survey on time?**

If the Park does not submit the required Annual Park Survey on time, the Park will be billed the Rent Control Administration Fee for all mobilehome spaces in the Park pursuant to RRB Resolution 2005-132. Additionally, the 8% maximum increase calculations will continue to use the previous year’s figures until the Park’s new average rent amounts are determined.

**What happens if I am trying to sell after July 1, but before publication of the new survey numbers?**

You may continue to use published average rent numbers until new rent amounts are submitted to the City and the new average rents are published for each Park.