OSCAR ROMERO AND SIMONE WEIL CATHOLIC WORKER HOUSE

A division of People Without Borders Justice Temple a 501 (c) (3) corporation

Hayward, CA 94541

Rev. Silvia A. Brandon Pérez, Director

Pauline Cutter, Mayor San Leandro City Council Councilman Victor Aguilar

March 5, 2019

Honorable Mayor and Council members, Councilman Victor Aguilar

Re: Inequality of bargaining power and other comments on last night's meeting:

1. On Councilman Victor Aguilar's spirited defense of our most vulnerable:

My gratefulness and admiration for Councilman Victor Aguilar's spirited defense of both inclusion of "just cause" for eviction in the ordinance and a moratorium. He is doing the work Ralph Waldo Emerson commended when he said:

"The purpose of life is not to be happy. It is to be useful, to be honorable, to be compassionate, to have it make some difference that you have lived and lived well."

Or, since we just celebrated the 70th anniversary of the Universal Declaration of Human Rights, which represented a worldwide compact to be the best that we can be as human beings, here is what Ban Ki-moon, Eighth Secretary-General has to say about it:

"Saving our planet, lifting people out of poverty, advancing economic growth... these are one and the same fight."

Victor Aguilar is in fact doing the work that is required of the City Council. In the Councilmembers' Handbook, Section VII, the following is stated as ROLE OF THE CITY COUNCIL:

Policy Development – A sense of Mission:

Local officials need to listen to the community as well as help the community visualize where it wants to be in the future.

Policy Making:

In very simple terms, policy making means deciding what you are going to do - not how you are going to do it. An example may help illustrate the difference. Deciding that your community is going to emphasize the provision of low-income housing is a basic policy decision. Making that decision means that you will be spending money on housing programs, that you intend to make this subject a priority, and that, in all likelihood, some other programs will have to wait their turn. (...). Policies are formulated for the broad issues that affect your community.

These may include everything from providing jobs to paving streets to making sure that children have enough playgrounds.

As a policy maker, you are sometimes judge and sometimes advocate; you need to hear opposing views, consider the arguments, think about the concerns of the constituency you serve.

I commend Mr. Aguilar's commitment to our community and in particular, to the most vulnerable segments of that community. He is being a fearless advocate for right action and representing the most vulnerable sectors of that community.

2. On the moratorium and unenforceable "gentlemen's agreements"

Not only did the community appear in force both last night and at the January hearing, but you, the City Council and Mayor, have received multiple letters and statements about the current housing crisis both in the State of California and in particular in the Bay Area. As members of the City, the State, the country, the planet, you have an obligation to stay abreast of this situation. This City has its own homeless, and unhoused people do not live long. Their lives are usually cut short because of the terrible difficulties of living in the streets. NOT signing an immediate moratorium, and allowing these actors to continue to act **WITH IMPUNITY**, is an act of human and political **MISFEASANCE**.

The United Nations has made a damning report about our treatment, as a country, of our homeless populations. The issue is imperative, and the requirement for a moratorium is imperative. As I mentioned last night, it is a MORAL issue. Not to be adjourned, not to be relegated to "a future meeting," not to be deferred for further consideration. That is damnable, execrable behavior. And I say this as someone who has sung Amazing Grace too many times at ceremonies honoring members of our unhoused population who have died from exposure to the elements in their early fifties.

In the same way that I commended the comments by Victor Aguilar, I **repudiate** the comments made by **Councilman Ballew**. I repudiate his characterization of H. John Busch's selfless and principled actions.

The fact is that Bayshore Commons deliberately destroyed a **community of people** who were living at the trailer park. The letters I provided last night showing that there was a problem with setbacks with Bayshore Commons, specifically affecting Unit 13,

which was the unit occupied by Mr. Busch for at least eight (8) years, and about which they had been notified, and over which they may **LOSE THEIR LICENSE** to operate the park, should give **all of you** pause. And sixty-percent increases in space rents constitute abominable behavior which should offend the consciences of any right-thinking person.

A basic concept in contract law is the requirement of equality of bargaining power in making contracts. When you have a Goliath (the mobile home park owners such as Matt Davies' outfit) and a David (any of the residents who spoke out last night and in January about retaliation, harassment, a lack of services), the inequality of bargaining position results in a contract of adhesion, which is not enforceable in a court of law. The lawyers who appeared last night for the mobile home park owners are part of the same industry that paid 76 million dollars to prevent the passing of Prop 10 which would have allowed California to enact rent control measures on a statewide level. **Of course,** they are going to speak about the "evils" of rent control and rent stabilization!

I speak about the evils of people dying on the streets from the perils of being unhoused. I speak of children doing their homework in the back of the family car, or in the street. I speak about our hypocrisy when using terms such as "food insecurity." One out of four people in Alameda County experience hunger. **Hunger, not "food insecurity.**"

Matt Davies and his ilk are **a cancer** on our body politic. Mr. Ballew, you are on the WRONG side of history.

I am very disappointed in the uncaring and misguided attitude which prevented the Council's adoption of a moratorium **NOT ONLY on rent increases but on evictions**. Do we need to "follow the money"?

Respectfully submitted,

Rev. Silvia Antonia Brandon-Pérez ARCWP Priest

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San Jose 70 South First Street San Jose, CA 95113 T. 408.286.9800 F. 408.998.4790

March 4, 2019

Margaret E. Nanda mnanda@hopkinscarley.com T. 408.299.1327 F. 408.998.4790

VIA EMAIL

Honorable Mayor Pauline Russo Cutter Vice Mayor Corina Lopez Council Member Deborah Cox Council Member Ed Hernandez Council Member Victor Aguilar, Jr. Council Member Benny Lee Council Member Pete Ballew City of San Leandro 835 East 14th Street San Leandro, CA 94577

Re: Proposed Mobilehome Rent Stabilization Ordinance
March 4, 2019 City Council Meeting Agenda Item 10-A

Dear Mayor, Vice Mayor, & Council Members:

My client, Brandenburg, Staedler and Moore ("BS&M"), is the developer, owner, and operator of 14 upscale mobilehome communities throughout the Bay Area, consisting of approximately 3,500 spaces, including Mission Bay Mobilehome Community ("Mission Bay") in San Leandro. Mission Bay is a five-star park, a Community for Older Persons, and the largest mobilehome park in the City of San Leandro. Mission Bay, with 366 spaces represents forty-three percent (43%) of the mobilehome space inventory in the City. Since opening Mission Bay in 1971, BS&M has taken great pride in maintaining and improving the community, upholding its standards as a business and a housing provider, and maintaining positive relations with residents.

For over twenty years, Mission Bay and a Resident Rent Committee have worked together to negotiate agreements which cap yearly rent increases. Every five years since 1992, Park Management and a Resident Rent Committee have met and agreed upon a schedule of annual rent increases, rent increases upon vacancy and a dispute resolution process. This process, which has resulted in *six* such agreements has successfully provided the residents with protection against unforeseen rent increases, while allowing BS&M to obtain a fair return on investment. This lengthy history of successfully negotiated agreements further demonstrates why the proposed rent control ordinance is unnecessary and can accomplish its goals via other means. City Staff claim that the Draft RSO is necessitated by anecdotal reports of increased rents and displacement of mobilehome residents, yet there are no factual findings explaining why the Proposed Mobilehome Rent Stabilization Ordinance ("Draft RSO") is necessary and a reasonable means to ensure mobilehome rents are controlled while also protecting park owners' investment.

Moreover, as discussed in detail below, unfortunately, there are a litany of legal deficiencies which preclude the City Council's consideration and first reading of the Draft RSO at tonight's hearing.

I. Additional Time is Necessary to Adequately Consider the Proposed Mobilehome Rent Stabilization Ordinance.

The Brown Act,¹ California's most prominent open meeting law, insists that the people have a right to remain informed and that government be open and accessible to the public. (See Cal. Govt. Code § 54950 ["The people insist on remaining informed so that they may retain control over the instruments they have created."].) It would be contrary to the purpose and spirit of the Brown Act and related open government laws to consider a first reading of this ordinance barely a month after the City first decided to study its impacts and necessity. The City Council admitted as much in its January 14, 2019, work session, in which it suggested, in PowerPoint slides, that a draft ordinance would be prepared for public comment and review in Spring of 2019 and a final ordinance would be prepared sometime in Summer of 2019. Yet, inexplicably, City Staff has now hastily submitted the Draft RSO and recommended its passage on a mere three business days' notice to the public, a grossly inadequate amount of time for input and review from the public and various stakeholders on this complex issue. This is contrary to California's commitment to open and transparent government, and the laws (such as the Brown Act) which mandate the same.

II. As Currently Written, the Proposed Mobilehome Rent Stabilization Ordinance Deprives Park Owners of a Fair Return on Investment.

The Draft RSO, as currently written, denies park owners a fair and reasonable return, which is an unconstitutional denial of due process. (see e.g., Federal Power Commission v. Natural Gas Pipeline Co. of America, 315 U.S. 575, 584–585, 62 S. Ct. 736, 86 L. Ed. 1037 (1942); Kavanau v. Santa Monica Rent Control Bd., 16 Cal. 4th 761, 771, 66 Cal. Rptr. 2d 672, 941 P.2d 851 (1997) [explaining that price control, including rent control, must not deprive investors a "fair return" and thereby become "confiscatory"].)

Specifically, the Draft RSO denies park owners a reasonable rate of return in the following ways:

A. Yearly Rent Increases are Capped at the Lesser of 4% or Annual CPI for the Western Region Rather than the Bay Area.

First and most significantly, the RSO proposes to cap yearly rent increases at the lesser of four percent (4%) or the rise in the Bureau of Labor and Statistic's Consumer Price Index ("CPI") for the Western Region. (See Draft RSO at 4-39-212 ["[A] Rent Increase for a Mobilehome Space that shall be equal to the lesser of CPI or four (4) percent of the Rent charged for the Space in the preceding year, except as permitted by this Article in accordance with a CPI Decrease, an In-place Mobilehome transfer, or extraordinary circumstances.].) The language "the lesser of" is significant, because for many years this would more likely than not, deprive a park owner of almost any rent increase at all. For example, the annual CPI increase for the preceding five years (December to December) in the Western Region has been 1.27% (2014); 1.81% (2015); 2.5% (2016); 3.14% (2017); and 3.06% (2018). (See U.S. Dept. of Labor and Statistics, Western Information Office, Consumer Price Index.) Indeed, since 2000, the CPI in any given year has never been more than 3.7%. (Id.) Thus, in many, if not most years, park owners will be denied a fair and reasonable return, based on the current language of the Draft RSO.

Additionally, the Draft RSO bafflingly uses the CPI index for the entire Western Region, which includes the states of Alaska, Arizona, California, Hawaii, Idaho, Nevada, Oregon, and Washington, and the territory of Guam. Other Bay Area mobilehome rent control jurisdictions, such as the City of Hayward and the City of San Jose, which has the most mobilehome parks in the state, use the much more appropriate CPI index for the San Francisco-Oakland-Hayward MSA. (See Hayward Ord. No. 89-057 as

¹ Government Code section 54950 et seq.

amended through Ord. 08-12 at §2(d); San Jose Muni. Code § 17.22.115.) The annual percent changes in the San Francisco-Oakland-Hayward MSA are much greater than those found in the Western Region's data. For example, the annual CPI increase for the preceding five years (December to December) in the San Francisco-Oakland-Hayward MSA have been 2.67% (2014); 3.18% (2015); 3.53% (2016); 2.94% (2017); and 4.5% (2018), all of which are significantly higher than the Western Region data. Thus, the Western Region data would lead to significantly and artificially lower annual rent increases under the Draft RSO. The appropriate CPI metric, as other Bay Area mobilehome rent control jurisdictions concede, is the San Francisco-Oakland-Hayward MSA data.

Indeed, the City Council knows the current formula is not an appropriate way to calculate a fair and reasonable return. In slides circulated at the City Council's January 14, 2019 work session, you suggested a yearly rent increase the "greater of 5% or CPI." Yet, inexplicably, City Staff has now hastily submitted the draft RSO which caps yearly rent increases in a way that deprives park owners of fair and reasonable returns, in that it ties yearly rent increases to very low rates of inflation for the entire Western Region of the United States (including Guam) rather than the more accurate figures from the Bay Area.

B. Capital Improvements and Replacements Cannot Effectively Be Passed Through.

As written, the Draft RSO only allows capital improvements to be passed-through at four percent (4%) of the rent of Special Circumstance Households. (See Draft RSO at 4-39-230(f).) Special Circumstances Households is defined broadly to include homeowners or residents who are 62 years of age or older, low-income, or disabled. Mission Bay is a Community for Older Persons² and thus restricts occupancy to at least one person per household to age 55 and over. Because Mission Bay provides the finest senior mobilehome living environment in the City of San Leandro, its residents continue to reside there for many years. Thus, it is estimated that at least 70% or more of households in Mission Bay will qualify as Special Circumstance Households because the mobilehome owner or the lessee of the mobilehome space is age 62 or over and/or disabled or low income. This will effectively prevent passthrough of a disproportionately large portion of the funds necessary for capital improvement projects. This is constitutionally impermissible, as the law requires that park owners obtain a reasonable return on investment, including for capital improvements, (See e.g., Kavanau v. Santa Monica Rent Control Bd. (1997) 16 Cal. 761, 773 ["[A] rent control law that merely allows a landlord to recoup the bare costs of a necessary capital improvement runs the risk of being confiscatory and thereby violating the landlord's right to due process of law."]; see also Sierra Lake Reserve v. City of Rocklin (9th Cir. 1991) 938 F.2d 951, 958, vacated in part (9th Cir. 1993) 987 F.2d 662 ["Breaking even is not enough; the law must provide for a profit on one's investment. Thus, [a rent control ordinance] must do more than simply allow plaintiff to pass through certain costs; it must ensure that plaintiff will receive a reasonable return on those expenditures."].) The RSO as drafted, is clearly unconstitutional, as it would deprive a park owner from recouping capital expenditures, much less making a reasonable rate of return on those expenses. (Id.) Instead, the Draft RSO would force a park owner who is already providing a scarce resource in San Leandro, namely senior housing, to subsidize the burden of capital improvements that its tenants will benefit from and enjoy. The inclusion of criteria for a Special Circumstance Household which includes any person over age 62 as limiting of capital improvement pass-throughs unquestionably deprives a senior community park owner of a fair return on investment.

Notably, there are no demonstrated factual findings or nexus related to the categories of Special Circumstances Households and their supposed financial inability to pay a reasonable, fair share of pass-through costs for capital improvements. Rent control ordinances cannot be arbitrary in their attempts to limit excessive rent increases. (See e.g., Oceanside Mobilehome Park Owners' Assn. v. City of Oceanside (1984) 157 Cal.App.3d 887, 897 [noting rent control ordinances must be reasonably

² See 42 USC § 3601

calculated to further the city's interest in eliminating excessive rents for spaces in mobile home parks].) Simply delineating the magic age of 62 as a "special circumstance" which precludes effective pass-through of capital improvements, without a demonstrated financial need or other nexus for such a limitation, is an unconstitutionally arbitrary provision. (*Id.*) For instance, of the last ten household applicants to move into Mission Bay, six (i.e., 60%) have a lessee aged 62 or older, which automatically puts those households into the "special circumstance" category without regard to the household's monthly income or ability to pay.

The adoption of the special circumstance language could force BS&M to re-evaluate whether it can continue to operate the Mission Bay as a Community for Older Persons.

Moreover, it is important to note that Mission Bay is 48 years old, and will undoubtedly need to undertake various capital improvement and replacement projects in the future. As currently written the Draft RSO mandates that pass-through of capital replacement projects or capital improvements can only be accomplished via a "fair return application" where evidence is shown that fifty percent (50%) plus one of households have consented to such pass-through. (See Draft RSO at 4-39-230(E) and 4-39-230(F)(3)) This impermissibly takes away the judgment of the park owner of whether a capital replacement or capital improvement needs to be accomplished in favor of the tenants. (See Kavanau v. Santa Monica Rent Control Bd., supra, 16 Cal. at 772 [noting that procedural mechanisms for rent adjustments must not be unduly burdensome].) The successful operation and maintenance of a luxury mobilehome community such as Mission Bay is the result of strategic management decision making concerning whether capital improvement or capital replacement projects should be undertaken. The replacement or improvement of vital park utilities and infrastructure systems should not be subject to a campaign by the park owner to persuade its residents to vote to increase their monthly rent obligation.

C. Artificially Low Interest Allowance Results in Artificially Low Net Operating Income.

The Draft RSO is written to allow a park owner to submit a "fair return application" to attempt to maintain "net operating income" equal to the base year. (See Draft RSO at 4-39-217.) However, the method of calculating "net operating income" is unduly restrictive so as to deprive park owners of a fair and reasonable return. Specifically, net income is calculated by subtracting operating expenses from gross rental income. Operating expenses, however, is defined unduly narrowly, in that the interest allowance on amortized expenses, which can be included in operating expenses, is defined to mean "the interest rate on the cost of the amortized expense equal to the 'average rate' for 30-year fixed rate home mortgages plus two percent. The "average rate" shall be the rate Freddie Mac last published in its weekly Primary Mortgage Market Survey ("PMMS") as of the date of the initial submission of the application."

Such a calculation is artificially low, in that it caps interest at the Freddie Mac rate, which is a government sponsored enterprise attempting to increase homeownership through affordable (i.e., low) mortgage rates. Moreover, it makes no sense why interest for amortized expenses should be tied to mortgage rates, when the amortized expenses and interest which a park owner would seek to include in operating expenses are associated with the interest rates charged by hard money lenders.

Such a restrictive view of operating expenses in turn artificially restricts operating income, which deprives park owners of a fair return on their investment, irrespective of their ability to file a so-called "fair return application."

The Proposed Mobilehome Rent Stabilization Ordinance Is Not Exempt From CEQA. San Leandro Must Conduct an Initial Study to Analyze Potential for Urban Decay and Blight.

As outlined above, the Draft RSO imposes substantial constraints on a park owner's existing right to individualized rent increases following investment in capital improvements by limiting the annual increase in rent solely attributable to capital improvements to four (4) percent for "Special Circumstances Households" as defined. Capital improvements are necessary to upgrade and improve San Leandro's mobilehome parks and to prevent blight and urban decay of the City's affordable housing stock. By creating a broad class of "Special Circumstance Households" that is composed of an unknown number of Mobilehome Owners, Park Owners will refrain from investing in necessary and desirable improvements to their real property. As infrastructure deteriorates, the incidents of leaks and spills of drinking water, storm water and sewerage will increase, along with use of diesel generators when electrical systems fail. These incidents will have an impact on the environment.

The Draft RSO will have a reasonably foreseeable indirect physical change in the environment as defined in California Environmental Quality Act section 21065. Therefore, the City's adoption of the Ordinance constitutes a project subject to CEQA and environmental impact analysis must be done of the cumulative impacts of the City's actions. Under the CEQA Guidelines such an ordinance is a project if it creates a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

Additionally, it is well settled that "projects" involving a potential for urban decay and blight are subject to CEQA. (See *Bakersfield Citizens for Local Controls v Bakersfield* (2004) 124 Cal. App. 4th 1184.) Local decisions that pose the potential to cause a cumulative impact of closures and long-term vacancies, ultimately creating social and economic impacts that can destroy or cause deterioration in existing neighborhoods must be analyzed under CEQA. (See *Black Property Owners Association v Berkeley* (1994) 22 Cal. App. 974 [effects of City's housing policies must be studied upholding City's reliance on Negative Declaration].)

The burden of establishing an exemption from CEQA rests with the government. (See e.g., Davidon Homes v San Jose (1997) 54 Cal.App.4th 106, 112, 113.) The present record is devoid of any analysis whatsoever of the potential environmental impacts of the Draft RSO. Conversely, imposing substantial barriers to capital improvements and replacements raise a substantial possibility of a cumulative impact resulting in decay to the environment.

Contrary to the unsupported conclusion that the Draft RSO is exempt from CEQA because it "does not have a potential for causing significant impact to the environment," San Leandro must first analyze the potential that constraints on rent increases will disincentivize capital improvements leading to a cumulative environmental impact of decay and blight within the City's mobilehome parks. The proposed actions are designed to freeze the land in its current use, which includes aging facilities which cannot be feasibly maintained without the ability to raise rents or pass the costs through. Thus, San Leandro has failed to properly analyze the potential that the Draft RSO could cause a significant impact to the environment.

IV. Action on the Proposed Mobilehome Rent Stabilization Ordinance Should be Deferred and Alternatives Considered.

In closing, the aforementioned arguments countenance against considering a first reading of the Draft RSO at tonight's hearing. At the least, this matter should be taken off-calendar to provide additional time for input from the community and various stakeholders. But, if the City Council decides to consider the Draft RSO, it should not adopt the ordinance as written, as it deprives park owners of a fair and

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reasonable return. Moreover, there are various other ways to successfully prevent unreasonable rent increases on tenants within mobilehome parks, such as Mission Bay's practice of negotiating reasonable rent increases with a residents' committee since the early 1990s, or by considering amendment to the current apartment rent review ordinance to apply to mobilehome parks. Thus, not only is the Draft RSO unfair and unconstitutional as currently drafted, it is unnecessary, based on alternative approaches which will ensure both tenants' and park owners' interests are effectively protected.

Sincerely,

HOPKINS & CARLEY A Law Corporation

Margaret E. Nanda
Margaret E. Nanda

MEN

CC:

Ryan Jasinsky Jeff Smoker Patricia Davis John V. Moore G. Jeff Moore Rudy Staedler William B. Baron Andrew Zachs, Esq. Matthew Telford, Esq. Chuck Reed, Esq. (All Via Email)

Sargent, Maryann

From: Liao, Thomas

Sent: Tuesday, March 05, 2019 10:20 AM

To: Sargent, Maryann

Subject: Fwd: Delayed Proposed Mobile Home Rent Stabilization Ordinance

Attachments: Notice of Termination of Tenancy.pdf; ATT00001.htm; Ltr to Rocha 05.08.18.pdf; ATT00002.htm;

Ltr to Rocha 05.11.18.pdf; ATT00003.htm; State Sues Huntington Beach Over Blocked Homebuilding.pdf; ATT00004.htm; Cesar Garcia's eviction notice.pdf; ATT00005.htm

Begin forwarded message:

From: GINA MARQUEZ < glmarquez@zonemail.clpccd.edu>

Date: March 5, 2019 at 8:59:48 AM PST

To: vaguilar@sanleandro.org

Cc: "Cutter, Pauline" < pcutter@sanleandro.org >, "Hernandez, Ed"

<ehernandez@sanleandro.org>, "Lee, Benny" <blee@sanleandro.org>, "Ballew, Pete"

<pballew@sanleandro.org>, "Lopez, Corina" <clopez@sanleandro.org>, "Kay, Jeff"

<JKay@sanleandro.org>, Helena Straughter <delegateh41@gmail.com>, "Liao, Thomas"

< TLiao@sanleandro.org >, rpioroda@meyersnave.com

Subject: Delayed Proposed Mobile Home Rent Stabilization Ordinance

March 5, 2019

Via Email: vaguilar@sanleandro.org

Victor Aguilar, San Leandro City Council Member The City of San Leandro 835 E. 14th Street San Leandro, Ca. 94577

Re: Delayed Proposed Mobile Home Rent Stabilization Ordinance

Dear Victor Aguilar,

I write this letter to commend you on your magnanimous support for the mobile home park tenants within The City of San Leandro, during the televised meeting on March 4, 2019. I support your colleagues' decision to dedicate more time to make the pertinent amendments to the proposed ordinance. However, an expedited moratorium was needed as opposed to a verbal: "Gentleman's Agreement" between a property owner and Mayor Cutter.

I understand you are a welcomed addition to The City of San Leandro and a true council member of your word, having observed your actions during the election. It is without a doubt that your colleagues may have failed to acknowledge the commitment and dedication that advocates like myself have done, without the support of Mr. Liao and The Community Development Department. In fact, during my advocacy in support of elder, John Busch, disabled Cesar Garcia and Carolyn of Bayshore Commons; Maryann Sargeant, the alleged Senior Housing Specialist, expressed vulgar language over a telephone conversation in March of 2018. Ms. Sargeant demanded my strategic plan and confirmed I would not

accomplish such a proposed Mobile Home Park Ordinance. She continues to question San Leandro residents identified as Donna Moltzen if I have assisted them.

Furthermore, you may not be aware about the lack of support Echo Housing has provided for tenants throughout San Leandro, San Lorenzo, Hayward and Castro Valley. I was successful in rescinding Cesar Garcia's eviction at Bayshore Commons in 2018.

In brief, I want to provide you relevant evidence to solidify why "Just Cause" and the 2% CPI is significant. In addition to the inclusion of safety and zoning code enforcement. I've participated in meetings with Board of Supervisor Nate Miley in 2018, which is why he amended The Alameda County Renter's Ordinance.

In the summer of 2018, a team of advocates took photographs of Bayshore Commons and we all signed a petition to persuade The State of California to send an inspector to assess the property. I, including many others contacted The State of California and were re-directed back to The City of San Leandro for safety and code enforcement. Last night, tenants of Golden State Mobile Home Park, explained they've suffered the same fate as Bayshore Commons. Retaliatory evictions, threatening notices, countless rent increases. I encouraged the tenants to contact your office.

Attached are pertinent documents that may help you at the bargaining table.

Very Truly Yours,

Gina Marquez

Email: glmarquez@zonemail.clpccd.edu

PRIVILEGED AND CONFIDENTIAL COMMUNICATION This e-mail transmission, and any documents, files or previous e-mail messages attached to it, may contain confidential information that is legally privileged. If you are not the intended recipient or a person responsible for delivering it to the intended recipient, you are hereby notified that any disclosure, copying, distribution or use of any of the information contained in or attached to this transmission is STRICTLY PROHIBITED. If you have received this transmission in error, please: (1) immediately notify me by reply e-mail, or by collect telephone call; and (2) destroy the original transmission and its attachments without reading or saving in any manner.

NOTICE OF TERMINATION OF TENANCY AND SIXTY (60) DAY NOTICE TO REMOVE MOBILEHOME FROM MOBILEHOME PARK

TO: Cesar Garcia

1468 Grand Ave. #21 San Leandro, CA 94577

AND TO ALL OTHER PERSONS IN POSSESSION.

NOTICE: Your tenancy of the above-described premises is hereby terminated.

Pursuant to California <u>Civil Code</u> §798.55, you now have sixty (60) days from the date that this notice is served upon you to **vacate the premises and remove your mobilehome there from as required below or sell the mobilehome at your election.** If you elect to sell your mobilehome within said 60 day period, park management reserves the right to require its removal pursuant to <u>Civil Code</u> §798.73 and §798.73.5.

You have previously been served with written notices providing you with at least seven (7) days to comply with these rules and regulations, and said seven day periods have expired and you have failed to so comply. True and correct copies of said notices are attached hereto as Exhibit "A" and are incorporated herein by this reference.

11. LANSCAPING: Subject to the limitations of Civil Code Section 798.37.5, Resident is required to provide and maintain attractive landscaping of the homesite. Resident may use any combination of lawn, shrub, flowers, rocks or bark. If the lawn, shrub, flowers or trees are used, such landscaping must be well maintained, neat and attractive. Resident is solely responsible for maintenance, pruning, trimming and when necessary in park's discretion removal of any tree on Resident's space. If rock or bark is used, plastic sheeting must be placed beneath leaving a ring around any trees for watering and an edging must be used. Permission of the Management is required prior to any digging in the park or on the homesite. If rock or bark is utilized, such must be contained with in the homesite and kept in a neat and attractive fashion.

13. LOT MAINTENANCE:

- A. Residents shall maintain their homesites in a clean, well kept and attractive fashion, including the front, sides and back. If a home site is neglected, after reasonable written notice, Management reserves the right, but is not obligated to, take over its care and bill the Resident for the services, pursuant to civil code section 798.36. When a home site is vacated, all holes must be filled and leveled.
- 23. PETS: Residents may keep one dog or cat, and caged indoor birds and aquatic animals in aquariums as a pet, subject to Management's prior approval. Max weight of pet is 25 lbs. Approved pets must be registered with Management. Dogs and cats must be kept on a leash at all times when outside of Resident's mobilehome. Pets, which cause a substantial annoyance to neighbors, must be removed from the Park. Pet droppings must be cleaned up immediately. Pet owners must sign a pet agreement as an addendum to their Rental Agreement. Guest must not bring pets into the Park except for guide dogs, signal dogs and other service dogs, as defined in the Civil Code Section 54.1.

Remove rug/mat, office chair, tarps, metal framing, plastic bins, wood etc. Space needs to remain clean and well kept at all times.

Pets must be on leash AND in Owners control at all times. Pets are not to be left outside unattended

The foregoing incidents of rules violations have occurred since approximately February 15, 2018, and the present, and have been witnessed by Park management.

Based upon the foregoing conduct, and in view of your failure to respond to requests that you refrain from this type of conduct, your tenancy is hereby terminated pursuant to California <u>Civil Code</u> §798.56(d).

WARNING

If you fail to remove your mobilehome from the Park or sell your mobilehome at your election within the time permitted by law, and this notice, legal proceedings may be commenced against you to declare your rental agreement forfeited as of this date, to recover physical possession of the premises, punitive damages, and damages for your continued possession of said premises, together with court costs and attorneys' fees as provided in California Civil Code §798.85.

Dated: 3/16/2018 Bayshore Commons

Sherrie Fuqua 209-932-8747 Posted on your cloor 3 4.7.18 weeks ago was a 60 day termination notice which means that from the day the notice was posted you have 60 day to leave. Don't turn in your rent anymore because I can't accept it. The owner want you gone.

BAY ShORE COMMONS FROR = 5AR GARCIA HDI

Via Email: margie@echofairhousing.org

Marjorie A. Rocha, Executive Director Echo Housing Rent Review Program 770 A Street Hayward, Ca. 94541

Re: Red Vehicle photographs

Dear Marjorie A. Rocha,

On or about May 8, 2018, I visited Cesar Garcia at The Bayshore Commons Mobile Home Park to assist with pictures of his red vehicle that the Property Owner wanted him to clean. Mr. Garcia is patiently awaiting his paperwork from Sherrie with Harmony Communities to pay the fee for storage.

As you know, the storage site resembles a wrecking yard but I instructed Cesar Garcia to comply so we can prevent eviction. I further questioned Garcia about his Mobile Home Park Rental Agreement to ensure he understands the rules at Bayshore Commons. Cesar Garcia conveyed he didn't receive a new Rental Agreement when Bayshore Commons took ownership, nor the paperwork that includes the verbiage to remove the items in the trunk of his red car.

Will you kindly ask Harmony Communities to provide the supporting documents and email them to me? That way I can explain to Cesar Garcia what the paperwork entails and if he executed the correct Mobile Home Park Rental Agreement. I further conveyed that if he has any other vehicles, he must clean them, so we can try and prevent eviction and displacement.

I'm also concerned, because Garcia explained that he phoned Sherrie with Harmony Communities to question a storage shed for his items. The gentleman over the phone explained that Sherrie was unavailable and suggested he purchase one from Home Depot. The gentleman further stated that he was pleased that he cleaned up but for how long. He further explained that Cesar Garcia is not allowed to have his medical walker anywhere around the mobile home park. Garcia explained he uses it for his medical condition.

As we both agreed per our discussion on Monday, May 7, 2018, Mr. Cesar Garcia shouldn't be continuously harassed and singled out. Upon the visit, I saw other storage vehicles with items. I've attached the photographs for your review.

Sincerely,

Gina Marquez

Email: glmarquez@zonemail.clpccd.edu

Via Email: margie@echofairhousing.org

Marjorie A. Rocha, Executive Director Echo Housing Rent Review Program 770 A Street Hayward, Ca. 94541

Re: Regarding Mobile Home Leak photograph

Dear Marjorie A. Rocha,

On or about May 11, 2018, I visited Cesar Garcia to question the leak and to provide him with the photograph you emailed. We observed his Mobile Home, the photograph and discovered the picture was not of Cesar Garcia's Mobile Home.

- 1. The picture mirrors a little white fence and garden shaped bricks.
- 2. I provided previous photographs that reflect Mr. Garcia does not have a garden nor plants.
- 3. The bricks Garcia has, surround a black pipe as shown in the backside of his Mobile Home.

I captured more pictures for your review at the angles where you can observe the detail. Note, the tires to the right of the photograph, white large fence and other items belong to Cesar Garcia's neighbor. I further instructed Cesar Garcia to water down his Space 21 so you can get a visual of what water spots look like. I've also attached a sample photograph of his neighbor's leak.

Continue to keep me posted regarding the paperwork if there is anything else, Mr. Davies would like Cesar Garcia to remove or clean. Again, it appears Mr. Garcia has remained in compliance regarding the Notice of Termination of Tenancy.

Sincerely,

Gina Marquez

Email: glmarquez@zonemail.clpccd.edu

State Sues Huntington Beach Over Blocked Homebuilding

Friday, January 25, 2019 Priscella Vega and Liam Dillon Los Angeles Times

At Gov. Gavin Newsom's request, California filed a lawsuit Friday against the city of Huntington Beach over what state officials describe as the city's failure to allow enough homebuilding to accommodate a growing population.

Newsom said the suit is needed to address rising housing costs that threaten economic growth and deepen inequality. The lawsuit accuses Huntington Beach of defying a state law that requires cities and counties to set aside sufficient land for housing development.

The California Department of Housing and Community Development issued letters to the city in 2015 and 2018 requesting that it comply.

"Many cities are taking herculean efforts to meet this crisis head on," Newsom said in a statement. "But some cities are refusing to do their part to address this crisis and willfully stand in violation of California law. Those cities will be held to account."

The state is asking that an Orange County Superior Court judge order Huntington to comply with the law. It also seeks attorney fees and other costs.

But Huntington Beach City Attorney Michael Gates contended "the city has been, in fact, complying with all applicable state housing and zoning laws."

Huntington "has been and will continue to work with the California Department of Housing and Community Development regarding meeting the city's Regional Housing Needs Assessment," Gates said in a statement Friday. "Any delay experienced by the city in its ability to amend its zoning and/or make additional progress has been caused by the city fighting lawsuits and court appeals filed by plaintiffs such as the Kennedy Commission."

He pointed to recent court victories in an ongoing lawsuit in which the Kennedy Commission, an affordable-housing advocacy group, alleged that an amendment to the city's development plan for the Beach Boulevard-Edinger Avenue corridor violated state housing law.

Gates called the state's lawsuit "timed poorly" because it interrupts months of discussions between the Department of Housing and Community Development and the Kennedy Commission toward reaching a resolution of outstanding disputes.

He said it also raises questions about the state's motive, as "50 other cities in California have not yet met their RHNA targets."

Gates said the city is reviewing its options on how to respond to the lawsuit.

The case against Huntington Beach is a rare legal action by the state against a local government over housing laws. In 2009, when former Gov. Jerry Brown was attorney general, the state intervened in a lawsuit against the Bay Area city of Pleasanton, where voters capped the amount of housing allowed. The case ended with Pleasanton getting rid of its cap, zoning for more homes and owing about \$4 million in attorney fees.

Though cities and counties do not build homes, local restrictions on development, such as high fees or a lack of land zoned for residential use, can prevent construction that might otherwise occur. Higher-income coastal communities, including Huntington Beach, often maintain some of the tightest development rules in the state, even as housing costs have soared in the past decade.

The median home value in the beach city of 200,000 people tops \$834,000, according to real estate website Zillow. More than half of Huntington Beach's tenants are rent-burdened, meaning they spend more than 30% of their income on housing, according to U.S. Census data.

Huntington Beach put itself in a shortfall toward its state-mandated target for low-income housing units when the council in 2015 amended the Beach and Edinger Corridors Specific Plan, which was adopted in 2010 to help revitalize Beach Boulevard and Edinger Avenue by streamlining the building approval process.

The amendments reduced the cap on new residential development from 4,500 units to 2,100 and imposed stricter height and setback requirements after many residents complained about the high rate at which high-density residential projects were popping up.

The original Beach and Edinger plan is tied to Huntington Beach's housing element, a guideline in the city general plan that it uses to identify ways the city can address housing needs for all economic segments as the community grows.

The amendments meant the city no longer had enough land zoned to accommodate low-income residents under state requirements, prompting a lawsuit two months later from the Kennedy Commission.

According to the state's lawsuit, the Department of Housing and Community Development began working with the city to prepare an amended and "legally compliant" housing element shortly after it issued its first letter in 2015.

But the Kennedy Commission sued Huntington in the midst of the state and city partnership.

"We're concerned about the opportunities for affordable housing, being that Orange County is among the least affordable counties in the nation and in California," Cesar Covarrubias, the nonprofit's executive director, said in 2015. "We believe that every city should have appropriate sites to create opportunities for housing all its residents, especially low-income residents."

The city argued in court that it was working to amend its housing element and that the Kennedy Commission's lawsuit was "unnecessary and would soon be moot." But a proposed plan was unanimously rejected by the City Council in 2016.

Councilman Erik Peterson said at the time that the city should prepare to fight the state regarding the mandated amount of low-income housing in the city.

The legal battle with the Kennedy Commission is continuing, though a state appeals court ruled in favor of the city in 2017 because Huntington is a charter city, exempting it from some state zoning laws.

After Housing and Community Development issued a second notice of noncompliance in 2018, the city said it would create a new housing plan after it resolved its dispute with the Kennedy Commission.

"The time for empty promises has come to an end," the state's lawsuit says. "The city should not be allowed to avoid its statutory obligations any longer."

Huntington Beach has issued permits and filed inspections for more than 2,500 new housing units, including about 100 very-low-income and low-income deed-restricted units, since 2014, according to Gates. The city also established a Tenant Based Rental Assistance Program designed for extremely low-income and homeless people, he said.

State Assemblyman Tyler Diep (R-Westminster) expressed support for Huntington Beach, part of the area he represents, and said litigation isn't the solution to the housing shortage.

"There are reports on cities in California stating they will not meet their 2040 housing goals until the year 2295 or after," Diep said in a statement Friday. "Huntington Beach has had a 4% population increase since 2004; meanwhile, some of the fastest-growing cities in California are required to build less housing than this city."

State Sen. John Moorlach (R-Costa Mesa) said in a statement that he was "befuddled" that Newsom — a former mayor of San Francisco, a city with high housing costs — singled out Huntington Beach with litigation instead of engaging in "goodwill gestures" to help cities reach their housing goals.

"Once this approach is started, then it must be applied to all other cities not in compliance," Moorlach said. "He should have a policy of no better, no worse. Otherwise, these are strong-arm tactics."

Source URL:

https://www.latimes.com/socal/daily-pilot/news/tn-dpt-me-hb-housing-lawsuit-2...

Sargent, Maryann

From:

Sent: Tuesday, March 05, 2019 9:25 AM

To: Cutter, Pauline

Cc: _Council; Liao, Thomas; Sargent, Maryann

Subject: Mobile Home Space Rent - 2% of \$1Million is BIG number

Attachments: 2% of \$1Million is not a small return.xls

Dear Mayor Cutter -

I was taken aback by your belief that if an owner only raises the space rent at 2% a year their property isn't making them a profit. In an attempt to show you the arithmetic to prove otherwise, I expanded my spreadsheet (which Mr. Ballew got yesterday) to include what a rent increase translates to for annual rental income for a whole park. I did a spreadsheet so I could let Excel do the arithmetic rather than a calculator, and so it was not that much harder to do the numbers for ALL the San Leandro park sizes.

Since reading the spreadsheet, which has now gotten as big as the income, might not be fun, below is a verbal reading of what the profit is for a 2% and a 4% increase in a park of 58 spaces. I think you can easily see from the spreadsheet how big the numbers get as the size of the park grows in size.

Perhaps you could look at this before you meet with the owners. Virginia Madsen

For a 58 space park: (Hesperian)

with a 2% increase which doubles the individual space rent after 36 years

the owner's annual rental income for 1 space in year 1 is \$12,240

for all 58 spaces in year 1 it is \$709,920

After 5 years of 2% rent increases the owner's income for all 58 spaces is \$768,440 which is \$58,520 more than year 1 which is an 8% increase in income

After 10 years of 2% rent increases the owner's income for all 58 spaces is \$848,420 which is \$138,500 more than year 1 which is a 19.5% increase in income

After 15 years of 2% rent increases the owner's income for all 58 spaces is \$936,724 which is \$226,804 more than year 1 which is a 32% increase in income

After 36 years of 2% rent increases, at which time the tenant is now paying double the rent as in year 1, the owner's income for all 58 spaces is \$1,419,762 which is \$709,842 more than year 1 which is a 99.98% increase in income

In the 36 years, the owner has made \$37 MILLION in rents and gotten over \$600,000 from that one tenant with just a 2% rent annual increase

How is \$1 Million a year in rental income not a fair return?

For a 58 space park:

With a 4% increase which doubles the individual space rent after 18 years

The owner's annual rental income for 1 space in year 1 is \$12,480

for all 58 spaces in year 1 it is \$723,840

After 5 years of 4% rent increases the owner's income for all 58 spaces is \$846,790 which is \$122,950 more than year 1 which is an 17% increase in income

After 10 years of 4% rent increases the owner's income for all 58 spaces is \$1,030,250 which is \$306,410 more than year 1 which is a 42% increase in income

After 18 years of 4% rent increases, at which time the tenant is now paying double the rent as in year 1, the owner's income for all 58 spaces is \$1,409,968 which is \$686,128 more than year 1 which is a 95% increase in income

In the 18 years, the owner has made \$18.5 MILLION in rents and gotten over \$320,000 from that one tenant with a 4% rent annual increase

This is still about \$1 Million a year in rental income for 18 years. Even with operating costs this is NOT a small return.

From:

To: PBallew@sanleandro.org Cc: tliao@sanleandro.org

Subject: Re: Mobile Home Space Rent Stabilization Ordinance - spreadsheet

Date: Mon, 4 Mar 2019 18:37:14 GMT

Pete -

Per your request attached is the little spreadsheet I mentioned in my email.

I have very old technology but you should be able to read my .xls file attached. And there are no fancy bells and whistles because I didn't need them, just an easier way to do calculations.

This file started because I was trying to figure out the trajectory of my annual 7% increase (at the bottom of the spreadsheet). My rent has gone up on schedule since 2015. Property management company just did a minor repair recaulked the bathroom tub which I said I was going to do again this summer - so the next one is imminent.

Lest you have forgotten why I am still speaking up ...

Virginia

----- Original Message -----

From: "Ballew, Pete" < PBallew@sanleandro.org>

To:

Subject: Re: Mobile Home Space Rent Stabilization Ordinance - comments

Date: Mon, 4 Mar 2019 06:36:02 +0000

Thank you, Virginia. This ordinance is comprehensive, maybe even too comprehensive. I had to read it three times to get it all! I don't know where we will end up. We're trying to balance many competing interests on this one. I am interested in the simple spreadsheet you have if you can share it. Thank you.

Pete Ballew City Council Member 510-680-0981

Sargent, Maryann

From: Anderson, Kimberly

Sent: Tuesday, March 05, 2019 3:33 PM

To: Sargent, Maryann

Subject: FW: Mission Bay Rental Increase,

Forwarding to you . . .

----Original Message-----

From: Lana Fash

Sent: Tuesday, March 05, 2019 12:02 PM

To: mbhoasl@gmail.com

Cc: Anderson, Kimberly < KAnderson@sanleandro.org > Subject: Mission Bay Rental Increase,

Attention: Mission Bay Mobilehome Owners ASSN.

All Board Members

I recently bought a mobilehome in Mission Bay Senior Park. I chose this specific mobile home because the rental space was \$889.07 per month. This was the lowest rent available in the Senior Park and it was important to me as a senior living on a fixed income. This mobile home would of not been my first choice but the rent was the deciding factor.

This is very different, you own the home but you pay rent and are not free to do what you want with the property.

I paid a \$1,000 deposit and had already paid for 3 inspections. I moved all my belongings to 3 storage units while waiting to move in. I had invested a lot of money into buying this mobile home. I had made arrangements for repairs and upgrades. I needed to move in ASAP.

On 10/30/18, the Park's Community Administrator, Wendy Howard, signed a document certifying that the rent for the space is \$889.07. The next rent increase to be January 1, 2019 3% increase and would be \$915.74.

Days before Escrow was to close my Real Estate Agent, Ernest Costa, notifies me that the Park increased the rent from \$889.07 to \$1050 (15% increase) because the seller paid her rent late. This increase was done with no written notice or verbal notice to me from the Park Owner or Management. On January 1, 2019, I received another 3% increase raising my rent to \$1080. Total 18% increase in 2 months.

I took ownership on 11/29/18. This increase raised my rent \$160.93 per month. My rent would not have reached \$1050 for 5 years. Costing me \$9,655.80 over the next 5 years.

The Park caused a financial burden and a lot of stress. I was penalized for no reason. I don't know if this was even legal or not. I was never given a full explanation or the information that allowed them to increase my rent. I was told by Management there is nothing you can do about it. I was lucky they could have raised it more. Of course, I could have walked away and not purchased the mobilehome but as I explained I had already invested a lot of money and made arrangements to move. I really had no choice.

I don't feel this was anyway to treat a buyer and future tenant. I felt I was basically held hostage to pay or walk away. It was not fair but a tactic to increase rental income. The increase did not penalize the seller. The increase only penalized me as the buyer and tenant.

This increase created a financial hardship for me. The added stress has been very hard to deal with. What should of been a happy event was now a major problem.

Brandenburg Staedler & Moore and Mission Bay Park Management need to change their policy and penalize the seller and not the buyer. They need to notify sellers, buyers, and real estate agents of this practice so this does not happen to another person.

I have requested that the owner and management send me written documentation that legally allowed them to impose this rent increase on me even though I have a signature certifying the rent is \$889.07.

I would like to discuss this unfair increase with the Homeowners Association. Please contact me by email or my phone number is _______.

Sincerely,

Lana Fash

San Leandro, CA 94579

Sent from my iPad

César García 1468 Grand Avenue Space No. 21 San Leandro, CA 94577

March 12, 2019

Pauline Cutter, Mayor San Leandro City Council

Re: Proposed Mobile Home Park Rent Stabilization Ordinance And Moratorium for Existing Park Residents

Honorable Mayor and Council members,

I attended the meetings of the City Council on the proposed rent stabilization ordinance and the request for a moratorium, and I have to admit I was very disappointed at your refusal to pass an immediate moratorium to help those of us who are in peril of eviction and who continue to be harassed, intimidated, treated in a discriminatory manner, only for the profit of park owners.

We already had the unlawfully eviction and jailing of H. John Busch by the Alameda County Sheriff's Office at the age of 81 in November of last year. The issue there was whether rent increases of 60% or higher should be allowed, not whether Mr. Busch had been offered inducements to go along with his eviction. All of us who live at Bayshore Commons are experiencing terrible and extreme conditions of harassment by the owners of that park. Yet you have refused to sign a moratorium.

One of our residents let us know about a citation by the State of California's Department of Housing and Community Development, Division of Codes and Standards, dated February 21, 2019. It's a Notice of Intent to Suspend Permit to Operate for Bayshore Commons. I have written to them to request a copy of their file against Bayshore Commons, since I am an interested resident.

I am a disabled man who lives in unit 21 and who has been refused the right to have my walker in front of my property. Despite the fact that I paid extra funds to store a truck (\$50 per month), my truck was recently towed and I have no information as to its whereabouts. The "notice" that I was to remove my truck took place on December 24 and was effective on December 31. Building management demanded a series of very punitive "cleanup" measures within a very short period of time. I have taken a series of pictures, which I can show you if given an appointment, of the condition of my unit versus the condition of other units in the building. There are cars which have not been moved in years, accumulations of debris and garbage, and similar conditions which exist in other units.

On June 21, 2018 I received a packet from the Legal Advocacy Unit of Disability Rights California, and filed a complaint for unfair treatment and housing discrimination. The complaint that I filed included the demand that I move a car in my driveway, for expired registration, and ordering me to clean everything around my motor home. There were any number of trailers and spaces that were not bothered by the administration and I have pictures of all of these trailers. I was also told I was not allowed to have my walker outside in my driveway despite the fact that I need it to get around.

I own my trailer, and I have been renting space from the Trailer Park. There should be no difference in how I am treated, as a disabled man, in my own home. And further, there should be no discrimination against me, since other people in the park are not made to follow these stringent rules.

I also made a complaint to the Mobile Home Ombudsman seeking help which described the following problems, which continue unabated:

- a. The new owners who took over the park in December 2017 have placed in between existing occupied trailer spaces, more permanent modular homes which their company, Harmony, constructs and sells. These new modular homes are placed as close as 10 inches away from the pre-existing trailers.
- b. The above has narrowed the roadways with the new modular homes, and this has required the removal of fencing between the park and the public street to accommodate the large modular structures, blocking the pre-existing trailers or exposing them directly to the street.
- c. This has been accompanied by huge rent increases, which have been meant to evict and displace existing long-time owners/tenants.
- d. In few cases in the entire park in what was 40 trailers is there any space that meets Title 25, Div. 1, Chap. 2, Article 7, Section 1330 of California State law.

The rental agreement that I signed with prior owner Estudillo Trailer Park on June 1, 2016 provided for a monthly space rent of \$625.00, which included water. There was also a separate agreement for a storage shed of \$135.00, and a separate space to store a truck of \$50.00.

On October 11, 2018 I received a Notice to Pay Rent or Quit which raised my base rent to \$895.00.

Again, Christmas Eve, 2018, to be effective on New Year's Eve, I received a Notice of Intention to Tow Vehicle, which referred to a storage notice mailed out on 11/7/18 which claimed to state:

Storage is no longer available. The vehicle needs to be removed immediately. Please take the necessary steps to remove your car/items left in the storage area by 12/31/2018. As of 1/1/2019 you will not be charged and our vehicle and/or vessel should be removed.

I never received this alleged notice, and continued to be charged throughout the period in time, even being charged for a vehicle that had been removed from the property.

I had a small dog that was being cared for by a friend who was in fact inside my trailer when management came in and stole my dog and accused me of having left it alone. This was a lie, and my friend will testify to the fact that it was a lie.

This company and its agent, Matt Davies, is interfering with my protected rights under ADA. I am being discriminated against because I am disabled and because I am a Latino male, a person of color.

You are supposed to protect all of us, not just the very rich. If I lose my home and my trailer just as my friend John Busch did, I will become homeless. By not acting promptly, you are contributing to the housing crisis, perpetuating an unfair system. We deserve your protection, because you represent ALL San Leandro residents.

You are allowing retaliatory evictions and harassment to continue. This is contrary to what your duties of office call for.

Bayshore Commons, among others, is interfering with our lives and our welfare. We had created a community before the new owners came along, intent on destroying it. Bayshore Commons is a housing predator, contributing to the housing crisis

I am hoping you will consider my letter and prevent further injustice.

César García

Sargent, Maryann

Sent: Monday, April 01, 2019 7:07 PM

To: Cutter, Pauline; Cox, Deborah; Ballew, Pete; Lopez, Corina; Kay, Jeff; Liao, Thomas; Sargent,

Maryann; Anderson, Kimberly; Aguilar Jr, Victor; Hernandez, Ed; Lee, Benny

Subject: Re: Proposed Mobile Home Rent Stabilization Ordinance

Attachments: letter on clinic paper Pauline Cutter rent control moratorium April 1.docx

Mayor and Council members,

Please find attached, once again, my plea that you institute an IMMEDIATE moratorium on rent increases and evictions on mobile home park units.

I am writing to the Governor and to the ACLU.

The newest evicted tenant is a disabled woman at Bayshores Commons whose eviction sentence was entered on March 8, 2019, at the Superior Court, Alameda County, under Case No. HG18931965. Wonderful thing to receive on International Woman's Day...

I cannot be there this evening, but Mr. Busch has copies of this letter to introduce into the proceedings under "Comments."

Sincerely,

Rev. Silvia A. Brandon Pérez

Le lun. 4 mars 2019 à 14:56, Silvia Brandon-Pérez < precise translations 2008 @gmail.com > a écrit :

March 4, 2019

Honorable Mayor and Council members,

Re: Proposed Mobile Home Park Rent Stabilization Ordinance

I have reviewed the proposed ordinance for rent stabilization of space rents in mobile home parks. I am a long-time social justice activist, practicing priest, and housing and immigration rights advocate, who has appeared before you at least twice on the issue of rent stabilization and a moratorium, as well as homelessness. I run the Oscar Romero and Simone Weil Catholic Worker House in my home in Hayward, which has given temporary refuge to H. John Busch, who was unlawfully evicted by the Alameda County Sheriff's Office at the age of 81 in November of last year and jailed for a period of four days.

I am writing to ask that you include "just cause" provisions and set back the effective date of the ordinance so that what happened to John Busch does not happen again. I would also like you to consider a lower CPI and a moratorium. I ask this for the following reasons.

I have been working with Our Revolution San Leandro to advise mobile home park dwellers of this new ordinance and of tonight's meeting. In doing this, the last place we visited yesterday was Hesperian Trailer Park, located at 15263 Hesperian Boulevard in San Leandro. There, Mr. Busch and I spoke to a large number of residents who were eager to express their view about their homes and their rights. One woman, Ursuline, told me she was feeling very discouraged because this home of hers was her last chance. She could not in any way "afford" to live in San Leandro if her space rent continued to go up. She also expressed concern that the area where their trailer park is located has just been rezoned for

multi-storied buildings. She is expecting eviction attempts soon because the property will become much more valuable if they can sell homes rather than trailer space... Quite frankly, she said, "I have been looking to possibly move out of the United States to live the rest of my retirement free from economic pressures." She also spoke about moving to the trailer park back when the space rent included all services and utilities...

There were a number of Latino families to whom I spoke in Spanish, who are equally concerned. Their trailers represent an investment that allows them to raise their families, house their elders, form community.

The trailer park out of which Mr. Busch was evicted, Bayshore Commons, formerly Estudillo Trailer Park, has been cited by the State of California's Department of Housing and Community Development, Division of Codes and Standards, dated February 21, 2019, a copy of which I attach to this letter. It's a Notice of Intent to Suspend Permit to Operate for Bayshore Commons, and states, in part:

"These violations were brought to your attention in one or more notices of violation dated October 11, 2018, November 15, 2018, and a Final Compliance Order dated November 21, 2018. It talks about the placement of new park trailers, creating separation and setback issues, in several units, including that occupied by Mr. Busch for the last eight (8) years of his stay in that particular trailer park, i.e. lot 13.

I have spoken to Don Vieira, who lives with his wife Michelle in Unit 6. He was recently diagnosed with COPD and is being refused the right to park his adult tricycle in front of his unit. Building management demanded a series of very

punitive "cleanup" measures within a very short period of time.

César García Velasco in unit 21 is a disabled man who has been refused the right to have his walker in front of his property. Despite the fact that he has been paying extra funds to store a truck (\$50 per month), his truck was recently towed and he has no information as to its whereabouts. Most of these "notices" took place on December 24 and were effective on December 31.

Just as people who are unhoused are not looked upon kindly by the society at large, people who live in trailer parks are treated as though they are "lesser than." In a moral society, there are no "lesser than" people. John Busch is a retired engineer, just as I am a retired attorney. In our society, our respective ages (82 and 70) too often make us into pariahs. Elders, the poor and the unhoused, immigrants, people of color and people of different sexual orientation, among others, are too often labeled as pariahs, deplorable, disreputable.

We have a housing crisis, and an unfair system, and a great number of people who die every year because they are unhoused, because they couldn't afford local housing, because their medical bills are outrageous.

It is up to you to say, ENOUGH. Or en español, BASTA YA.

The only way to stop retaliatory evictions and harassment is to consider that those who live in mobile home parks are also homeowners. Their homes are mobile, not stationary, but they are still their homes. They care for them, plant gardens, celebrate holy days, create community.

There are any number of cities that have enacted or are enacting rent control or stabilization measures. Richmond, Alameda, Emeryville, San Francisco, San José, and others. Hayward has enacted a moratorium and is discussing a new ordinance tomorrow.

Let San Leandro do better than any of them. Prevent the abuses of the housing predators that are contributing to the homeless crisis. Consider that these men and women and their families are San Leandro residents, San Leandro taxpayers, San Leandro human beings. Consider that we recently celebrated the 70th anniversary of the Universal Declaration of Human Rights, which guarantees housing as a human right for EVERYONE. Please do not exclude those who have chosen to live in trailer homes, and who would be homeless without your protection.

I leave you with the beautiful preamble to that declaration, to which our country is a signatory.

Respectfully submitted,

Silvia A. Brandon Pérez ARCWP Priest

Preamble

Whereas recognition of the inherent dignity and of the equal and inalienable rights of all members of the human family is the foundation of freedom, justice and peace in the world,

Whereas disregard and contempt for human rights have resulted in barbarous acts which have outraged the conscience of mankind, and the advent of a world in which human beings shall enjoy freedom of speech and belief and freedom from fear and want has been proclaimed as the highest aspiration of the common people,

Whereas it is essential, if man is not to be compelled to have recourse, as a last resort, to rebellion against tyranny and oppression, that human rights should be protected by the rule of law,

Whereas it is essential to promote the development of friendly relations between nations,

Whereas the peoples of the United Nations have in the Charter reaffirmed their faith in fundamental human rights, in the dignity and worth of the human person and in the equal rights of men and women and have determined to promote social progress and better standards of life in larger freedom,

Whereas Member States have pledged themselves to achieve, in co-operation with the United Nations, the promotion of universal respect for and observance of human rights and fundamental freedoms,

Whereas a common understanding of these rights and freedoms is of the greatest importance for the full realization of this pledge,

Now, Therefore THE GENERAL ASSEMBLY proclaims THIS UNIVERSAL DECLARATION OF HUMAN RIGHTS as a common standard of achievement for all peoples and all nations, to the end that every individual and every organ of society, keeping this Declaration constantly in mind, shall strive by teaching and education to promote respect for these rights and freedoms and by progressive measures, national and international, to secure their universal and effective recognition and observance, both among the peoples of Member States themselves and among the peoples of territories under their jurisdiction.

ance, I had a few questions that I anticipate Mr. Liao and City Council Members will address on Monday, March 4, 2019. Concerns as follows:

- 1. **Just Cause** verbiage is missing from the ordinance. This addition is pertinent because of the harassment and retaliatory evictions many Mobile Home Park Tenants have endured. Most importantly, because of John Bush's apprehension for exercising his rights.
- 2. **The CPI** is still too high at 4%. Council Member Benny Lee, publicly stated that even 2% is a hardship. Much gratitude for including the CPI based on my suggestion and evidence.
- 3. **Section 4-30-207 Part B**, John Busch supporters are concerned because a Mobile Home Park Tenant appears to be exempt from the ordinance due to government assistance. This may inspire retaliatory acts from a ravenous property owner, as an excuse for capital improvement.
- 4. **Temporary Rent Increases,** is a large problem and must be elaborated so we can fathom the understating of how this inclusion supports a Mobile Home Park Tenant.
- 5. **Zoning and Code Enforcement**? The Mobile Home Park Tenants were re-directed to The City of San Leandro from the State of California regarding safety inquiries.
- 6. **Rent Review Officer**, should be reconsidered based on the lack of support from The Community Development Department during advocacy. How can the department re-establish trust and that Mr.Liao will enforce the new Mobile Home Rent Stabilization Ordinance?
- 7. **Retroactive Inclusion**, for the retaliatory notices after the City Council Public Meetings. Property Owners produced such ill notices to all Mobile Home Park Tenants for exercising their rights.
- 8. **Moratorium,** to protect all Mobile Home Park Tenants from further retaliation and harassment, until the new Mobile Home Rent Stabilization Ordinance is finalized.

Much gratitude for acknowledging the listed concerns.

It isn't enough to talk about peace, one must believe it. And it isn't enough to believe in it, one must work for it. - Eleanor Roosevelt

True peace is not merely the absence of tension: it is the presence of justice.

- Mohandas K. Gandhi

Ningún soldado esta obligado a cumplir una ley en contra de la ley de Dios, pues una ley inmoral nadie tiene por qué cumplirla. - Arzobispo Oscar Romero

Silvia Antonia Brandon Pérez Bernie or Bust

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Silvia Antonia Brandon Pérez Bernie or Bust

OSCAR ROMERO AND SIMONE WEIL CATHOLIC WORKER HOUSE,

A division of People Without Borders Justice Temple, a 501 (c) (3) corporation

Hayward, CA 94541

Rev. Silvia A. Brandon Pérez, Director

Pauline Cutter, Mayor San Leandro City Council

April 1, 2019

Honorable Mayor and Council members,

Re: Proposed Mobile Home Park Rent Stabilization Ordinance

I have already expressed my displeasure at your failure to act to enact an immediate moratorium against further action and for rent stabilization of space rents in mobile home parks. Since that last hearing I have continued speaking to people at the local parks. The last person who was evicted was Shelley Janine Young, a disabled woman at Space 18, who walks with a walker or uses a wheelchair. Her space rent was raised to the outrageous amount of \$895 and she was just EVICTED, on March 8, 2019, by Bayshore Commons, while you and most of the Council were deliberating and refusing to act to protect your residents.

She has a thirty-day stay of eviction and will have to be packed up to leave in May.

While you were doing nothing except meeting with the landlords who offered spurious promises.

This is not how you discharge your duties as Mayor and Council Members.

This is an outrage.

A letter to the governor of California and to the ACLU will follow forthwith.

This same trailer park out of which Mr. Busch was evicted, Bayshore Commons, formerly Estudillo Trailer Park, has been cited by the State of California's Department of Housing and Community Development, Division of Codes and Standards, dated February 21, 2019, a copy of which I attach to this letter as I mentioned in my previous letter. They are now making outrageous demands of the residents to "fix" the things contained in the notice, conditions that they created.

César García Velasco in unit 21 is a disabled man who is fighting back. His latest letter to the State is attached.

We have a housing crisis, and an unfair system, and a great number of people who die every year because they are unhoused, because they couldn't afford local housing, because their medical bills are outrageous.

Your failure to act will have serious consequences, for which you will all be held liable.

Sincerely,

Rev. Silvia A. Brandon Pérez

César García 1468 Grand Avenue Space No. 21 San Leandro, CA 94577

April 7, 2019

Pauline Cutter, Mayor San Leandro City Council 835 14th Street San Leandro, CA 94577

Re: Proposed Mobile Home Park Rent Stabilization Ordinance And Moratorium for Existing Park Residents

Honorable Mayor and Council members,

Further to my March letter, which I append, I am requesting an immediate moratorium. I asked in March that you pass an immediate moratorium to help those of us who were in peril of eviction and who continue to be harassed, intimidated, treated in a discriminatory manner, only for the profit of park owners.

The conditions at Bayshore Commons, which unlawfully evicted and caused the jailing of H. John Busch by the Alameda County Sheriff's Office in November of last year at the age of 82, continue to worsen. I stress that ALL OF US who live at Bayshore Commons are experiencing terrible and extreme conditions of harassment by the owners of that park. I was told that yesterday the manager approached Mr. Busch, who was visiting friends, and threatened to call the police to have him removed, as he is "not allowed" to visit his friends because he was evicted. The manager has been spreading the story that Mr. Busch is to blame for the new restrictions in the park, because he reported the park.

My letter to the State of California's Department of Housing and Community Development, Division of Codes and Standards, as to the Notice of Intent to Suspend Permit to Operate for Bayshore Commons, has not been answered. I am planning to write them again, as this is a matter that affects me as an interested resident.

I remind you again that I am a disabled man who lives in unit 21 and who has been refused the right to have my walker in front of my property. All of the notices that were sent me were sent with short deadlines and on holidays, including a "notice" to remove my truck (which I was paying an extra amount per month) on December 24 effective on December 31, both federal and state holidays.

For the past few months building management has demanded a series of very punitive "cleanup" measures within a very short period of time. As I mentioned in my previous letter, I have a series of pictures which show you the condition of my unit versus the condition of other units in the building. My small dog was actually taken by management

without my permission. It is taken care of by a roommate and sometimes it is put outside on a leash so it can enjoy some fresh air.

The latest notice, which claims to be the "4th" notice and also claims that I have NOT COOPERATED OR COMPLIED, accuses me of failures to comply which are false. But this month my rent was returned to me, and I received a threatening telephone call from the Owner or Owner's agent, Matt Davies, which had a threatening tenor.

Again as I mentioned, last year I filed a complaint for unfair treatment and housing discrimination under my disability rights, including the fact that I am not allowed to have my walker outside in my driveway despite the fact that I need it to get around.

I reiterate that I own my trailer, and I have been renting space from the Trailer Park. I am being treated shabbily, as a disabled man, in my own home. I am being discriminated against, and no one seems to be doing anything about it.

The complaint I made to the Mobile Home Ombudsman seeking help described the following problems, which continue unabated:

- a. The new owners who took over the park in December 2017 have placed in between existing occupied trailer spaces, more permanent modular homes which their company, Harmony, constructs and sells. These new modular homes are placed as close as 10 inches away from the pre-existing trailers.
- b. The above has narrowed the roadways with the new modular homes, and this has required the removal of fencing between the park and the public street to accommodate the large modular structures, blocking the pre-existing trailers or exposing them directly to the street.
- c. This has been accompanied by huge rent increases, which have been meant to evict and displace existing long-time owners/tenants.
- d. In few cases in the entire park in what was 40 trailers is there any space that meets Title 25, Div. 1, Chap. 2, Article 7, Section 1330 of California State law.

I am tired of this. I am tired of having my rights trampled. I have been complaining for over a year. By the tone of Mr. Davies' voice in his telephone call and the tenor of these continuing notices, as well as the fact that they returned my rent check, I expect to have eviction proceedings filed against me soon. It will be a retaliatory eviction, as was Mr. Busch's. And the stress is making me physically and emotionally ill.

This company and its agent, Matt Davies, is interfering with my protected rights under ADA. I am being discriminated against because I am disabled and because I am a Latino male, a person of color.

As I said last March, if I lose my home and my trailer just as my friend John Busch did, I will become homeless. By not acting promptly, you are contributing to the housing crisis, perpetuating an unfair system. We deserve your protection, because you represent ALL San Leandro residents.

You are allowing retaliatory evictions and harassment to continue. This is contrary to what your duties of office call for.

Bayshore Commons, among others, is interfering with our lives and our welfare. We had created a community before the new owners came along, intent on destroying it. Bayshore Commons is a housing predator, contributing to the housing crisis.

I am hoping you will consider my letter and sign a strong moratorium immediatel to prevent further injustice.

This letter is also being sent to Governor Gavin Newsom.

Sincerely,

César García

3 | Page

From:

Sent: Monday, April 08, 2019 10:51 AM

To: Liao, Thomas; Sargent, Maryann; Anderson, Kimberly

Cutter, Pauline; Lopez, Corina; Cox, Deborah; Lee, Benny; Hernandez, Ed; Ballew, Pete; Aguilar Jr,

Victor

Subject:Re: Mobilehome Space Rent Ordinance pre-meeting questionsAttachments:Bayshore HCD letter pg1.jpg; Bayshore HCD letter pg2.jpg

Dear San Leandro City Staff and Council -

Thank you for scheduling the Mobilehome Space Rent Ordinance meeting on the 17th. You must know that I am doing everything I can to get park residents to come to that meeting AND, barring that, to come tell MaryAnn and Kimberley about what is happening to them.

Things are really heating up at Harmony Bayshore - the owner has responded to the California State HCD action (see attached screenshot of February 21 letter) by moving in 3 MORE of the modular homes that encroach on existing mobilehome tenant spaces which is what the HCD cited. I am trying to find out if the HCD knows about this response, and where their threat to revoke the park's permit to operate stands. Does the City know about the HCD letter and subsequent actions?

At least 6 long term Harmony Bayshore tenants have been hit with 7 day notices telling them to move storage sheds many of which existed prior to their tenancy - or be evicted. Interestingly, they are being told, either verbally or in a 'post-it' attached to the back of this letter that it is the **City** that has demanded this change and it is being done as 'payback' for John Busch. Is this true?

You gave the park owners 90 days so that their lawyers could attack the ordinance, and yet elderly, disabled people on fixed incomes are given 7 days to remove possessions and long standing storage sheds, many of which do NOT violate the Mobilehome Residency Law. Have you seen these letters?

Matt Davies is no gentleman. I cannot believe that this is who you want to own San Leandro in the future.

I do my best to bring information to you that I have made an effort to prove to myself, but know that you discount me whenever possible. I am grateful to the homeowner who sent me the link to last night's John Oliver show on mobilehomes below - it validated so much of what I have seen looking at this in San Leandro and it is a VERY educational and amusing use of 15 minutes.

https://www.youtube.com/watch?v=jCC8fPQOaxU

Sincerely, Ginny Madsen San Leandro resident who cares



STATE OF CALIFORNIA - BUSINESS, CONSUMER SERVICES, AND HOUSING AGENCY DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT DIVISION OF CODES AND STANDARDS

9142 Tech Center Drive, Suite 550 9342 Tech Center Drive, Suite 330 Sacramento, CA 95826 (916) 255-2501 FAX (916) 255-2508 From TDD Phones: 1800-735-2929 Prom Voice Phones: 1-800-735-2922



February 21, 2019

NOTICE OF INTENT TO SUSPEND PERMIT TO OPERATE

San Leandro Trailer Park LLC Bayshore Commons 3461 Brookside Rd Suite C Stockton, CA 95219

> RE: Notice of Intent to Suspend Permit to Operate for Bayshore Commons 01-0023-MP

This letter is to inform you the Department of Housing and Community Development (HCD), pursuant to the provisions of Sections 18510 and 18511 of the California Health and Safety Code, will suspend the Permit to Operate the Bayshore Commons thirty (30) days after the date of this notification unless the previously cited violation(s) are corrected. These violations were brought to your attention in one or more notices of violation dated October 11, 2018, November 15, 2018 and a Final Compliance Order dated November 21, 2018. The following violation(s) remain uncorrected:

- 1. Sometime in the recent past Bayshore Commons has placed new park trailers creating several separation and setback issues. Including lots #39, #13 and #14. 25CCR1330 (a)
- 2. Delinquent complaint reinspection fees due in the amount of \$196.00. 25CCR1004.5 (c)

Section 18513 of the California Health and Safety Code allows you to petition the enforcement agency for a hearing on this matter. If a hearing is desired, you must submit a written petition to the address above requesting the hearing and set forth a brief statement of the grounds in support of your petition within 10 days of the date of mailing of this notice. You will be notified of the hearing date no later than 15 working days after receipt of your request and within 15 working days from the date of that notice the hearing will commence.

You also should be aware, pursuant to the California Health and Safety Code Section 18500, if your Permit to Operate is suspended, it will be unlawful for you to operate the park, including demanding or collecting any rent or other monies from the residents in the park or charging any monies for the occupancy of the mobilehome park. The current residents will be notified, by posting in a conspicuous place within the park, that the park's Permit to Operate has been suspended, and that the park operator is not legally permitted to collect rent. Additionally, the Department will not issue any further installation permits, restricting further occupancy until such time as the park is brought into compliance However; a permit to construct from the enforcement agency still is required for any construction or repair activity related to correction of the previously cited violations.

Be advised, this is the last and only notice you will receive from this office prior to suspension of your Permit to Operate. If the Permit to Operate is suspended, the appropriate officials in Alameda county will be notified, and your land use and/or use permit status to operate as a mobilehome park also may be invalidated. Informational copies will also be furnished to the Franchise Tax Board and the Internal Revenue Service stating that Bayshore Commons no longer is operating as a legitimate business.

If you have any questions regarding the violations, contact Michael Bartlett by voicemail at 408-828-6942. If you have any questions about this proposed suspension or other administrative issues of this case contact me through this office at 916-255-2501.

David Dance

Codes and Standards Administrator I

DAPace

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

cc: DR-II Danny Newman
DR-I Michael Bartlett
File

15333 Wicks Blvd. San Leandro, CA 94579

Email: mbhoasl@gmail.com

Mayor Pauline Russo Cutter
Vice Mayor Corina Lopez – District 5
District 1 Councilmember Deborah Cox
District 2 Councilmember Ed Hernandez
District 3 Councilmember Victor Aguilar, Jr.
District 4 Councilmember Benny Lee
District 6 Councilmember Pete Ballew
City of San Leandro
895 E. 14th St.
San Leandro, CA 94579

RE: Proposed Mobilehome Rent Ordinance

Dear Mayor Cutter:

As Officers and Board Members representing the 366 Homeowners of the Mission Bay Mobilehome Community, we appreciate the steps you and Staff are taking to address the financial concerns – the very real fears – of our members. The stability, diversity and wellness of our 55+ community has been under threat for several years as rising space rents outpace fixed retirement incomes.

We heard at a recent Council meeting that Mission Bay park owner BSM regards its residents "as family". In fact, Mission Bay and the 13 other Bay area mobilehome park owned by BSM Properties are managed as a business. This business ensures a predictable and steadily increasing source of revenue for its owners with minimal capital outlays.

Thank you to Council and Staff for crafting the proposed Mobilehome Rent Stabilization Ordinance. We request the following important amendments or considerations before adoption:

Requested Ordinance Amendments

- [4-39-212] A. 1. Annual Rent Increase
 - COLA Index is specified as CPI-W (Social Security COLA index)
 - o Rent Increase upper limit is *lowered to 3% (three percent)* from 4%.
- [4-39-220] Method to Determine a Fair Return
 - Financial information provided to support Park Owner appeal must be, at minimum, CPA compiled, preferably audited.
- [4-39-255) Rent Stabilization Administration, Fees
 - We have a collective concern about the size of these fees and the ability of the Park Owner to pass through one-half of this expense to Homeowners.
 Please ensure transparency when establishing these fees.

15333 Wicks Blvd. San Leandro, CA 94579

Email: mbhoasl@gmail.com

The Mobile Home industry, along with its San Leandro Park Owner-Clients, have been lobbying the City Council to weaken the proposed ordinance. We imagine the following points have been made by anti-ordinance advocates:

MYTH #1: The rise in mobilehome corporate investment supports affordable housing growth.

• Let's not kid ourselves. Corporate investors are in it for the profits.

As we've seen with recent SL trailer park sales, these transactions are viewed as traditional real estate investments focused on maximizing return on investment for its owners. The resulting exponential rent

increases and intimidation tactics by some Park Owners imposed on a relatively powerless group of homeowners is the intentional result of that goal.

- **Potential rezoning opportunities:** New investors may also have eyes on rezoning our mobile home communities to increase development value. We need the City's active partnership to provide a more permanent solution to this potential threat.
- Stable Source of Predictable Investor Income: Within the Mission Bay community, for example, annual 3% rent increases have been imposed for years. The primary benefit residents derive from these *annual* increases are continued maintenance of dated improvements built in the early 1970's, including clubhouse, streets, utility infrastructure.
 - Given newest park rents of \$1,300, we conservatively estimate Mission Bay gross rents around \$360,000 per month (\$1K * 366 units). BSM notified the homeowners that flood insurance had been cancelled effective Jan. 1, 2018, so we assume there is no significant property debt. At any given time, there are never more than 4 full-time staff. Expenses appear to be primarily asset maintenance, not capital improvements due to ongoing promise of rent pass-throughs.
 - BSM has owned the community since its 1970's inception. Total annual revenues are estimated to exceed \$4.3 million *for this park alone*. 3% annual rent increases. Do the math.
- Capital Improvements: Suggestions to update amenities for baby boomer seniors (wi-fi, more security like cameras, modernize clubhouse for a younger generation) are met with fear by tenant-homeowners ("I can't afford a rent hike!") to paternalistic resistance from the property owner ("If we give it to you, we have to give it to all [14] of our parks!").

Where is the much-needed introduction of San Leandro-style innovation and tech into these neighborhoods? What is the Park Owner's responsibility to modernize Park facilities after 50 years of extremely profitable ownership?

MYTH #2: Our tenants' homes are mobile. If rents get too high, mobilehome owners can pick up and leave.

- **Nothing mobile about our homes:** We have manufactured homes. Like Marea Alta's construction, just not stacked. Moving a house is a sure-fire way to break it.
- **Limited Resale Market Size:** Market size for our homes is limited by age, income, park owner pre-sale screening requirements. When the actual financial risk of rising rents is revealed, the buyer is often reluctant to acquire a mortgage **plus** the risk of a year-to-year ground lease.

15333 Wicks Blvd. San Leandro, CA 94579

Email: mbhoasl@gmail.com

- Rising ground rents, lower homeowner values: Homeowners' ability to grow equity in their property is inversely proportionate to the rising level of ground rent. Homeowners receive no additional benefit from rising rents, and yet is the stakeholder that assumes most of the financial risk from rent increases.
- "Mobile" home marketing does not clearly identify financial risk: Here in Mission Bay, we have new
 homeowners paying considerably more ground rent at closing than had been quoted to them at escrow
 opening.
 - In one instance (Dec 2018), the original \$889 space rent shot up to \$1080 days before closing, resulting in an unanticipated additional \$10K homeowner expense over next 5 years. The homeowner felt "basically held hostage to pay or walk away. It was not fair, but a tactic to increase rental income."

MYTH #3: WE should accept the unequivocal right of corporate land owners to maximize return on their investments.

- Investors are taking advantage of the economically disabled: Investors understand every aspect of the property and the market. They understand the relative helplessness of their resident homeowners to adjust to increased rents. The relentless annual increases in Mission Bay occur largely because of resident feelings of powerlessness "It could be worse. BSM could raise it a lot higher" is a common response.
- Seniors live on fixed incomes, with increases tied largely to federal COLA's: These increases historically have not kept up with average annual rent increases of 5%.

Or Mission Bay's annual 3%.

Annual Social security increases¹ since 2000 have averaged 2.7%. Since 2008, however, COLA increases have averaged 1.3% - including 3 years of 0%. See Exhibit A for **analysis of Compound Growth Impacts**: Social Security COLA's vs. Rental Income:

- o EXHIBIT A / Historical Comparisons: Income vs. Rent (2000-2018)
 - Rents subject to fixed annual 3% increase resulted in significantly higher rents and compounded annual growth rates than rent increases tied to CPI-W.
 - A 3% annual rent increase, in this example, provides Landlord with a compounded annual return of 6%, before expenses and taxes. Effective return on investment is double that of the simple 3% annual increase.
- EXHIBIT B / Actual and Projected Space Rent, Mission Bay Mobilehome Owner:
 - Projections indicate within twenty years of annual 3% increases, rent will increase 75% over 20 years, yielding a 6.4% compound annual growth rate of return for Park Owner. Growth rate of rising rents will continue to outpace senior incomes, increasing financial risk with no upside reward. Rising rents will negatively impact Mobilehome Owner equity and mortgage-ability given the limited market for these homes.
- EXHIBIT C / Historical Cost-of-Living Adjustments, Social Security

¹ Benefit adjustments based on Bureau of Labor Statistics/Consumer Price Index for Urban Wage Earners (CPI-W)

15333 Wicks Blvd. San Leandro, CA 94579

Email: mbhoasl@gmail.com

Park Owners hold all the cards. If you don't like the rent increases, feel free to move on, we're told.

Except that we are not free to move on.

Next Steps:

The long-term financial pressure on "mobile" home communities will continue – unless we find a path toward home and land homeownership. Across the U.S., mobile home communities are organizing and buying back their land. Organizations like ROC USA (Resident Owned Communities) help homeowners purchase and successful manage their mobile home parks.

Alternatively, the City could also develop a partnership with local housing authorities to purchase our mobilehome parks for the benefit of our mostly low-income residents. There is recent precedent (Buena Vista Mobile Home Park, 2016 / Santa Clara Housing Authority acquired the park in partnership with City of Palo Alto).

We propose that the City Council work with its 9 parks to explore the potential of removing these mobile home parks from the investor market permanently. Even limited rent increases impact your most vulnerable stakeholders. Thank you for your continued future help!

Summary:

Approval of this ordinance with requested amendments by the San Leandro City Council will restore some measure of equilibrium to the "Mobile" Homeowner / Landlord relationship. The renewed connection of our economically disabled homeowners to the City through the protections offered by this ordinance is critical. We want to continue living in San Leandro – our home.

On Behalf of the Officers and Board Mission Bay Mobilehome Owners Assn.

Rubelet Domingo, President

Cindy Fonzeno, Board

Dehra Mallette VP

Lana Fash, Secretary/Treasurer

Peggy Herrera, Board

Stephen Logan, Board

Deborah Acosta, Board

David Leung, Board

cc. MaryAnn Sargent, Senior Housing Specialist Tom Liao, Community Development Director

				EXHIBIT A
listorical Comparis	ons: Income vs. Re	<u>nt</u>		
<u>Year</u>	Rent Increase thru	Fixed Annual	Rent w. annual CPI-	Rent w. fixed
	COLA / CPI-W	Rent Increase	W based increase	annual 3% increase
2000 (base rent)	0.035	0.03	500.00	500.00
2001	0.026	0.03	513.00	515.00
2002	0.014	0.03	520.18	530.45
2003	0.021	0.03	531.11	546.36
2004	0.027	0.03	545.45	562.75
2005	0.041	0.03	567.81	579.64
2006	0.033	0.03	586.55	597.03
2007	0.023	0.03	600.04	614.94
2008	0.058	0.03	634.84	633.39
2009	0.000	0.03	634.84	652.39
2010	0.000	0.03	634.84	671.96
2011	0.036	0.03	657.69	692.12
2012	0.017	0.03	668.87	712.88
2013	0.015	0.03	678.91	734.27
2014	0.017	0.03	690.45	756.29
2015	0.000	0.03	690.45	778.98
2016	0.030	0.03	711.16	802.35
2017	0.020	0.03	725.39	826.42
2018 (end rent)	0.028	0.03	745.70	851.22
Average Annual				
Rent Increase	0.0232	0.0300		
Total % Rent ncrease 2000 - 2018			0.49	0.70
Compound Annual				
Growth Rate			0.0454	0.0609

EXHIBIT B

<u>Actual & Projected Rent, Mission Bay Mobilehome Owner:</u>

<u>Year</u>	COLA / CPI-W	Rent Increase	Rent w annual CPI- W adj	Rent w. fixed annual 3% adj
2015 (Base Rent,				
Actual)	0.000	0.03	895.00	895.00
2016 (Actual)	0.003	0.03	897.69	921.85
2017 (Actual)	0.020	0.03	915.64	949.51
2018 (Actual)	0.028	0.03	941.28	977.99
2019 (Projected 2%)	0.020	0.03	960.10	1,007.33
2020	0.020	0.03	979.30	1,037.55
2021	0.020	0.03	998.89	1,068.68
2022	0.020	0.03	1,018.87	1,100.74
2024	0.020	0.03	1,039.25	1,133.76
2025	0.020	0.03	1,060.03	1,167.77
2026	0.020	0.03	1,081.23	1,202.81
2027	0.020	0.03	1,102.86	1,238.89
2028	0.020	0.03	1,124.91	1,276.06
2029	0.020	0.03	1,147.41	1,314.34
2030	0.020	0.03	1,170.36	1,353.77
2031	0.020	0.03	1,193.77	1,394.38
2032	0.020	0.03	1,217.64	1,436.21
2033	0.020	0.03	1,241.99	1,479.30
2034	0.020	0.03	1,266.83	1,523.68
2035 (End Rent)	0.020	0.03	1,292.17	1,569.39
Average Annual Rent				
Increase	0.0186	0.0300		
Total % Rent Increase				
2015 - 2035			0.44	.75
Compound Annual				
Growth Rate			0.0417	0.0644

Cost-Of-Living Adjustments¹

Automatic **Determinations**

Since 1975, Social Security general benefit increases have been cost-ofliving adjustments or COLAs. The 1975-82 COLAs were effective with Social Security benefits payable for June in each of those years; thereafter COLA determination COLAs have been effective with benefits payable for December.

SSI payment rates increase with COLA Prior to 1975, Social Security benefit increases were set by legislation.

	Social Security Cost-Of-Living Adjustments							
Year	COLA	Year C	COLA	Year COLA				
1975	8.0	1990	5.4	2005	4.1			
1976	6.4	1991	3.7	2006	3.3			
1977	5.9	1992	3.0	2007	2.3			
1978	6.5	1993	2.6	2008	5.8			
1979	9.9	1994	2.8	2009	0.0			
1980	14.3	1995	2.6	2010	0.0			
1981	11.2	1996	2.9	2011	3.6			
1982	7.4	1997	2.1	2012	1.7			
1983	3.5	1998	1.3	2013	1.5			
1984	3.5	1999 a	2.5	2014	1.7			
1985	3.1	2000	3.5	2015	0.0			
1986	1.3	2001	2.6	2016	0.3			
1987	4.2	2002	1.4	2017	2.0			
1988	4.0	2003	2.1	2018	2.8			
1989	4.7	2004	2.7					

^a The COLA for December 1999 was originally determined as 2.4 percent based on CPIs published by the Bureau of Labor Statistics. Pursuant to Public Law 106-554, however, this COLA is effectively now 2.5 percent.

The first COLA, for June 1975, was based on the increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) from the second guarter of 1974 to the first guarter of 1975. The 1976-83 COLAs were based on increases in the CPI-W from the first quarter of the prior year to the corresponding quarter of the current year in which the COLA became effective. After 1983, COLAs have been based on increases in the CPI-W from the third quarter of the prior year to the corresponding quarter of the current year in which the COLA became effective.

¹ https://www.ssa.gov/oact/cola/colaseries.html

From:

Sent: Wednesday, April 17, 2019 2:49 AM

То:

Sargent, Maryann

Subject: Fw: We Need a Mobilehome Park Fair Rent Ordinance

Sent from Outlook

From:

Sent: Tuesday, April 16, 2019 11:32 PM

To: pcutter@sanleandro.org **Cc:** citycouncil@sanleandro.org

Subject: We Need a Mobilehome Park Fair Rent Ordinance

Hello,

My name is _____. I am 64 years old and a resident of the Mission Bay Mobilehome Community here in San Leandro. I work full time as a legal secretary at _____ in East Palo Alto. I do not have a pension nor do I have any savings. No wealthy relatives either.

My current space rent is slightly over \$1,000; with utilities I pay the park about \$1,500 a month. My rent increases every year. Fortunately, to date, my annual salary increases have allowed me to keep pace with the 3% raises in my space rent.

I am fortunate to own my mobile home; I do not have a mortgage. If I did have a mortgage, it would be a financial disaster -- I would have to file bankruptcy. Any uncontrolled or massive increase(s) in my space rent also would be a financial disaster.

Please enact a fair rent ordinance governing San Leandro's mobilehome parks. Do oot allow greedy nonresident owners to run our living spaces. I used to live in the Casa del Lago park which has a nonresident owner. it is run down and very poorly managed. The space rents are so high that most folks cannot stay more than one or two years.

The Mission Bay park, by contrast, is very well managed and maintained. I love living here despite my long commute.

Thank you for your time,

Home: Work: Sent from Outlook

From: Sent:Tuesday, April 30, 2019 6:29 PM

To: Cutter, Pauline; Lopez, Corina; Cox, Deborah; Hernandez, Ed; Aguilar Jr, Victor; Lee, Benny;

Ballew, Pete; Liao, Thomas; Sargent, Maryann

Cc: Doug Johnson; Matt Davies; Brock Kaveny; Bob Guilford; Diana Nielsen; Jim Nielsen; Sharon

Nichols; atwasp@hotmail.com; winfordfrady@gmail.com

Subject: Proposed Mobilehome Rent Stabilization Ordinance

Dear Honorable Mayor Cutter, Vice Mayor and Council Members,

On behalf of the Park Owners, we had an opportunity to meet with Tom Liao and Maryann Sargent on Thursday, April 25th to discuss alternative options to the proposed San Leandro rent control ordinance. As I have expressed, Brandenburg, Staedler and Moore is not in favor of a rent control ordinance. We have been historically successful with our Rent Stabilization Agreements that we have negotiated in the past with our Residents and even the City (when they used to be involved). That being said, it appears those successes have been replicated in a similar fashion with the San Dimas Mobilehome Accord.

In reviewing over the proposed San Leandro rent control ordinance and the San Dimas Accord, we would like to highlight some items that we believe could lead to a successful outcome for the City, Residents and Park Owners. We want to emphasize that not every Tenant or Owner is going to agree to the terms presented (initial or final) but the Park Owners are continually open to finding a sound solution. What we should be focusing on is the long-term viability and sustainability of our RV and mobilehome communities. If the City's true intention is to protect affordable housing, we're hopeful you will genuinely take into consideration the business owners' perspective as well.

- Rent: The way it is presented in the San Leandro rent control ordinance is: "the lesser of CPI or 4% of the rent charged in the preceding year." We don't believe this allows Park Owners to appropriately or adequately balance a budget to maintain or improve the community. We suggest changing the language to, "the space rent payable for use or occupancy of any mobilehome space shall not be increased more than the greater of 4% or 100% CPI." When utilizing CPI, we suggest using a local reading published by the Bureau such as San Francisco/Oakland/Hayward.
- **Special Circumstances Household:** We would like to see this language removed or revised. As currently presented in the San Leandro Rent Control Ordinance, it appears that as long as a Resident meets one of the 4 criteria in the section they would be exempt from capital expenditure pass throughs. We understand the City's intention of protecting vulnerable classes, but age and health are not applicable criteria in the regards to being financially capable of paying rent. If the City is interested in keeping language for special circumstances households, then we believe it should be financially means based.
 - Additionally, given the language in this section, this could open Park Owners up to potential discrimination lawsuits since we would be required to request personal health information.
- Vacancy Decontrol: We are in agreement with the full vacancy decontrol.
- Pass through: We agree that these pass throughs are beneficial to all parties the Residents, Park Owners and the City. It allows the park to improve on systems that are aging while also providing the Residents with a quality community to call home. Allowing Tenants to vote on what can be passed through would be problematic and will likely lead to further deterioration of the community.

We believe an Accord is the best direction for the City. It holds Park Owners responsible for their actions, it protects the Residents by giving them transparent and predictable expectations and it assists with protecting the City by limiting their legal liability. In addition, bringing the Residents and Park Owners together to create an Accord could assist with building stronger relationships. We all understand the challenges facing the real estate industry, but it is in all our interests to work together to find a favorable long-term solution.

We also recognize that this is a large task that has ripple effects far into the future. This is one of many reasons why we want to be so involved in assisting the City with finding a fair solution for everyone. I hope you find my email helpful and if you need any further clarification I am always available.

Sincerely,

Brandenburg Staedler & Moore Mobilehome Communities of America, Inc.

1122 Willow Street, Suite 200

San Jose, CA 95125 Main: 408-279-5200

Direct: Fax: 408-279-3614

E-mail:

www.bsmcommunities.com

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From: Lana Fash

Sent: Monday, May 13, 2019 2:14 PM

To: Sargent, Maryann
Cc: Deborah Acosta

Subject: Mission Bay Rental Space Increase

I am following up on my previous email regarding the purchase of a mobilehome in Mission Bay Senior Park.

On March 9th I went to the Mission Bay Mobilehome Owners Association meeting where the Mayor was going to talk about the Ordinance Rent Stabilization and I spoke about what had happened to me. Days before Escrow was closing the Real Estate Agent tells me your rent has been increased from \$889 to \$1,050. The Seller did not pay her rent so they are increasing your rent by \$160 a month. I received no notice or explanation from Mission Bay Owners or Management. After I sent an email, I received a response in March.

While at the meeting several people told me they could not raise your rent more than \$75 per a Rental Agreement with BSM and Community Tenants. Debbie Acosta sent me a copy of the agreement which I was not aware of. I further investigated myself why my rent was increased by 15%. The seller did not pay her rent and so by an exemption in the agreement between Mission Bay and tenants it allowed the owners to increase the rent 15% without giving me any notice as the buyer. It may have been legal but it was wrong to punish me the buyer and then have no obligation to tell me until a couple days before Escrow was closing. I budgeted for the rent to be \$889. \$160 a month is a lot of money when your on a fixed income. It not only created a financial problem but was devastating for me. I felt betrayed.

On October 29th, Wendy Howard, Community Administrator, certified my rent was \$889.07. She never disclosed that there was going to be a \$75 increase in the rent per the Agreement with BSM and Mission Bay Tenants. **This was before the seller did not pay her rent.** So why was this not disclosed? There is no transparency. This should be illegal. It was withheld from me as the tenant/buyer. I was led to believe my rent was \$889. So you can imagine how I felt when without any notice they raise the rent \$160 per month.

On November 6th when the rent was late BSM new they were going to increase the rent. Why wait until I have spent hundreds of dollars on inspections, rented 3 storage units, and gave notice I was moving. That is morally wrong. They should be responsible to disclose the true amount for the rental space. BSM wants us to believe we are treated as family. I understand money is the end all goal here but at least be transparent about it. We as tenants here in Mission Bay work very hard to keep our properties kept up. The value of our homes are set. The rental space keeps increasing.

The Ordinance should make sure this does not happen to another person. There should be no hidden increases. There should be transparency in rents, Capital Improvements; fees and costs. I am glad the Ordinance addresses retaliation. The 4% increase is too high. A minimum of 3% or less is fair.

Thank you,

Lana Fash

From:	Carol Habercoss <chabercoss@att.net></chabercoss@att.net>								
Sent:	Friday, May 10, 2019 10:49 PM								
То:	Anderson, Kimberly; Sargent, Maryann; Cutter, Pauline; Cox, Deborah; madsenv@netzero.net;								
	Rob Rich; Jeromey Shafer; Liao, Thomas; Lorri Foster								
Subject:	Re: at Harmony Bayshore is locked out								
<u> </u>	write this email, to me this is heartbreaking.								
	ore today and went to home and yes it was locked up and she is gone. John Maderos the								
	ng towards me and said 'She's gone'. I said what happened and he said 'She got evicted'. He then								
	ras helping her and he thinks she is in a hotel somewhere, but he is not sure. We have tried calling								
	er. I could tell he was irritated I was there and that he had to talk to me. I asked him what will								
	home and he said she has 10 to 12 days to move it, but he wasn't sure about that either. Then he								
	was showing someone one of the new homes.								
	rium in place, this would not have happened. BACS and were actively looking for housing,								
* *	s in her home the last time I visited her. BACS did not call me back today. So we don't know								
where our friend									
	scared but bravely spoke to you the City Council to ask for help and we are so proud of her. She								
• •	she has shared with me some of her story as a victim of violence, physical disabilities, and y living in that little home, she feels safe, has community there and people who watch out for								
	rged almost \$1000 a month for a tiny spot.								
_	it of her home while actively looking for a another home. This is how homelessness happens.								
	pest way to help people is to change policy and create policy that works to help people - but we								
	you and the refusal to pass a moratorium and delay in passing the Ordinance has made								
	ght lose everything - I don't even know if they let her get some of her things out before they locked								
her out and made her									
	the City to act immediately to help:								
1. Find out where	and if she is safe and taken care of - we need to see her.								
2. Act quickly and d	o not let her Mobile Home be towed out of park. It is in good								
shape and has ever	ything she needs.								
3. Let go back	to her home until BACS finds her a safe place to move to.								
I am pleading for you anymore of these evid	to help and to pass the Mobile Home Rent Stabilization Ordinance May 20th to prevent ctions from happening.								
I am adding a few mo	ore people to this email.								
Sincerely,									
Carol Habercoss									
510-388-1768									