

RESOLUTION NO. 2019-42

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UKIAH AMENDING EXHIBIT A TO RESOLUTION 2018-22 ADOPTING RENT STABILIZATION FEES FOR ARBITRATION AND ADMINISTRATIVE COSTS TO CITY OF UKIAH MOBILEHOME PARKS

WHEREAS:

1. Ukiah City Code (“UCC”) Section 2715, provides that “all or any portion of the costs to administer this chapter [Division 2, Chapter 8 of the UCC (“Chapter 8”)] may be collected by the imposition of an annual rent stabilization administration fee established by resolution of the City Council”; and
2. Costs to administer the program have been assessed and are shown in Exhibit A; and
3. With the elimination of redevelopment agencies by the State of California, all of the cost to administer Chapter 8 is borne by the City’s General Fund; and
4. Under UCC Section 2708.C, the cost of arbitrations must be paid from the rent stabilization administration fee. Exhibit A states a reasonable estimate for the annual cost to administer Chapter 8, including potential arbitrations; and
5. There are 382 mobilehome park spaces subject to rent control in the City of Ukiah, with the final annual per space cost being determined each year based on occupied non-long-term leased spaces; and
6. Under UCC Section 2715, the owner who pays these fees may pass through to the tenant of the space 50 percent of the fees assessed for the space; and
7. Under UCC 2715, the resolution establishing the fee must specify the date by which the fee is due, but the fee may be paid by the park owners in quarterly installments; and
8. There are six City of Ukiah mobilehome parks that are subject to the Rent Stabilization Ordinance, including Circle Trailer Court (60 units), Manor Home Mobile Estates (137 units), Shady Grove Mobile Home Park (4 units subject to rent control), Modern Mobile Home Park (26 units), Harold’s Square Mobile Home Park (59 units), and Rancho Del Ray Mobile Home Park (96 units).

NOW, THEREFORE, BE IT RESOLVED that:

1. The City Council of the City of Ukiah approves an annual administration fee an amount equally divided between billable spaces subject to rent control to be paid by the City’s six mobilehome parks.
2. The fee is due on July 30 of each year, but may be paid in quarterly installments on July 30, October 30, January 30, and April 30.
3. The City Council shall review the administration costs, including the cost of any arbitrations, on an annual basis, during budget preparation as part of the annual fee review

in May and June, and make any adjustments so that the fee does not exceed the cost to administer Chapter 8.

4. This resolution supersedes resolution 2018-22.

PASSED AND ADOPTED at a regular meeting of the City Council held on August 7, 2019, by the following roll call vote:

AYES: Councilmembers Orozco, Brown, Scalmanini, Crane, and Mayor Mulheren
NOES: None
ABSTAIN: None
ABSENT: None



Maureen Mulheren, Mayor

ATTEST:



Kristine Lawler, City Clerk

EXHIBIT A

2017 COST ASSESSMENT FOR IMPLEMENTING RESOLUTION 2012-17 RENT STABILIZATION FEES

Estimated Arbitration Costs:

TOTAL - \$7,200

The Northern California rates charged for arbitrations conduct by ADR Service, Inc., an alternate dispute resolution service that has rates in the middle between JAMS at the high end and lone arbitrators at the low end.

An arbitration through ADR includes the hourly or daily rate charged by the arbitrator and the fees charged by ADR. ADR arbitrators are retired judges or attorneys. The hourly rates vary from \$400 at the low end to \$700 at the high end. The average hourly rate is \$500.

ADR charges an initial fee of \$300 plus \$450 per party to the arbitration. Its fee schedule is attached.

Assuming an arbitration hearing takes one 8-hour day and the arbitrator takes 4 hours to prepare a written decision, 12 hours @ \$500 = \$6,000 + \$1,200 (assuming only two parties) for a total of \$7,200.

Estimated Administrative Costs:

TOTAL - \$1,977.50 *(Using larger invoiced rate)*

MHP = Mobile Home Park

Estimated Attorney Fees for Various Matters Pertaining to Mobilehome Parks: \$1,000

(Note: only the actual expenses would be billed to the account)

Educational Outreach Costs: \$366.48

- Draft Letter to Residents
- Print, fold, label, and stuff envelopes
- Postage to send letters

If MHP owners are invoiced: \$611.02 + postage

Includes:

- Review CPI and write annual letter to MHP owners regarding the CPI.
- Review MHP rent increase letters per Ordinance 1126, Section 2703(H)
- Staff Report to Council
- Send Letters to MHP owners requesting number of billable spaces
- Prep invoices
- Receive and process payments

Total divided by 382* spaces = \$1.60 per space.

If MHP owners are not invoiced: \$209.15

Includes:

- Review CPI and write annual letter to MHP owners regarding the CPI.
- Review MHP rent increase letters per Ordinance 1126, Section 2703(H)
- Staff Report to Council
- Send post-Council decision to waive fee letters to MHP owners

Total divided by 382* spaces = .55 cents per space (rounded).

TOTAL REASONABLE ESTIMATE FOR THE ANNUAL COST TO ADMINISTER CHAPTER 8, INCLUDING POTENTIAL ARBITRATIONS IS \$9,178 (rounded).

**Note – This is the number of spaces calculated in Ordinance 1126, however, the actual number of billable spaces is determined each year depending on the number of occupied spaces by non-long-term leases.*