



Western
Manufactured Housing Communities
Association

September 12, 2023

Board of Supervisors
County of Ventura
800 S. Victoria Avenue
Ventura, CA 93009

RE: Agenda item 67 re: Proposed Changes to Mobilehome Rent Control Ordinance

Dear Honorable Board of Supervisors:

The Western Manufactured Housing Communities Association (WMA) represents the owners and operators of mobilehome parks and manufactured housing communities throughout California. Having been founded in 1945, WMA is one of the oldest, largest and most respected non-profit trade associations of its kind in the United States.

WMA and its Ventura County members understand the motivation to align state law with the County of Ventura's Mobilehome Rent Control Ordinance. However, the proposed change of the rent control ordinance regarding long-term leases via Assembly Bill 2872 is premature.

Last week, Sacramento Superior Court Judge Christopher E. Krueger allowed a lawsuit (Western Manufactured Housing Communities Association v. Newsom) challenging AB 2872 to move forward (see attached September 8, 2023 article in the Daily Journal), citing, "Plaintiffs allege that the rent control exemption is a significant benefit of the contractual bargain for both parks and residents...Plaintiffs also allege that at the time they executed long-term leases, they reasonably expected the rent control exemption to remain effective throughout the duration of the lease."

Considering this current and legitimate lawsuit, WMA and its Ventura County parkowner members respectfully request the County Board of Supervisors vote NO on taking action that impacts current long-term leases that are currently set to expire in 2025 – instead, allow the lawsuit mentioned above (and/or the expiration date outlined in AB 2782) run its course. It is prudent to do so, especially given that this request has no downside.

Thank you in advance for your consideration.

Sincerely,

JARRYD GONZALES

WESTERN MANUFACTURED HOUSING COMMUNITIES ASSOCIATION

Website: www.wma.org

WMA — Advancing and Protecting the Manufactured Housing Industry since 1945

Mobile home park owners can challenge rent control law

By Malcolm MacLachlan

Daily Journal Staff Writer

A Sacramento County judge allowed a group of mobile home park owners to continue their challenge to a state rent control law.

"The court finds that the FAC sufficiently alleges a substantial impairment of a contractual relationship," wrote Superior Court Judge Christopher E. Krueger in his tentative ruling issued Wednesday and finalized after a hearing on Thursday. "Plaintiffs allege that the rent-control exemption is a significant benefit of the contractual bargain for both parks and residents. ... Plaintiffs also allege that at the time they executed the long-term leases, they reasonably expected the rent-control exemption to remain effective throughout the duration of the lease."

Gov. Gavin Newsom signed AB 2782 amid news reports that some longtime residents were being priced out of mobile homes. Mobile home parks have long been considered one of the few lower-cost housing options in the state, and one disproportionately serving older residents.

The law overturned a 1985 change to the state's Mobilehome Residency Law, which exempted mobile home parks from rent control laws. The idea at the time was to encourage

park owners to sign long-term leases with tenants, who typically own their homes but not the land they stand on. AB 2782 stated rent control applied to any new lease beginning in 2021. By Jan. 1, 2025, it would apply rent control ordinances to older long-term leases as well.

Attorney Paul Beard II sued on behalf of an organization representing park owners. He claimed AB 2782 had undermined parks' business model and caused them to pull units off the sales market. He argued the law violated the contracts clause of the U.S. Constitution and due process protections in the federal and California Constitutions. Kruger wrote the plaintiffs had justified moving forward on both claims.

Reached Thursday, Beard said Kruger has not yet enjoined the law, "but that is the ultimate objective" of *Western Manufactured Housing Communities Association vs. Newsom*, 34-2022-00332244-CU-MC-GDS (Sac. Super. Ct., filed Dec. 30, 2022).

"Today's ruling is an important victory for park owners in California, as they continue to suffer under an ever intensifying onslaught of unconstitutional attacks on their industry by the Legislature and governor," the partner with Fisher-Broyles LLP in Los Angeles wrote in an email. "Today, the court rightly rejected the attorney general's plea

to 'look the other way' and simply rubber-stamp this outrageous law, which purports to retroactively hollow out long-term leases that have benefited both parks and their residents for decades."

In its demurrer motions and memos, attorneys for the California Department of Justice argued the parks have long been aware they were subject to state regulation. They also said the plaintiffs failed to show the law interfered with long-term leases or prevented them from making a profit.

The Golden State Manufactured Home Owners' League, the key group that supported the law, did not respond to requests for comment by press time.

Kruger said the case will hinge of disputes of fact, adding "there is a dispute as to the effect of the law" but not "what the law actually does." While both sides have repeatedly referenced the law's legislative history, Kruger added it is "only minimally relevant at this stage of the proceeding."

"Now, the State will have to prove — with arguments and evidence — that a significant and legitimate purpose supports this law, and can override the constitutional prohibition on legislative impairments to private contracts," Beard said.

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