

FRESNO MUNICIPAL CODE FINDINGS

LA HACIENDA MOBILE ESTATES

RENT INCREASE APPLICATION FINDINGS

Section 12-2011 of the Fresno Municipal Code (FMC) provides that, upon request by the owner of a mobilehome park, the Mobilehome Park Rent Review and Stabilization Commission (Commission) may review and conduct a hearing regarding the rent increase application (Application), and approve the amount of rent increase that it determines to be just, fair, and reasonable.

Findings per Fresno Municipal Code Chapter 12, Article 20	
<i>Automatic CPI Rent Increase:</i> "In addition to any other rent increase allowed by this ordinance, an owner may increase mobilehome space rents once annually by a factor not to exceed seventy-five (75) percent of the previous year's Consumer Price Index for the period between November 1 and October 31..." (FMC § 12-2014.)	
<u>Finding 1 – OPTION 1:</u> The Automatic CPI Increase is Approved, with a Base Rent of \$377.58	Pursuant to Fresno Municipal Code section 12-2014, La Hacienda Mobile Estates, LLC may increase the mobilehome space rents at La Hacienda Mobile Estates by 6.6%. This is the factor of 75% of 8.8%, the previous year's Consumer Price Index (CPI) for the period between November 1 and October 31. After review of the Application, the Residents' Committee's Opposition, and all other relevant evidence submitted to the Commission, the Commission has determined by preponderance of the evidence that the base rent at La Hacienda Mobile Estates is \$377.58. La Hacienda Mobile Estates may increase its space rents by \$24.92 per month.
<u>Finding 1 – OPTION 2:</u> The Automatic CPI Increase is Approved, with a Base Rent of \$300	Pursuant to Fresno Municipal Code section 12-2014, La Hacienda Mobile Estates, LLC may increase the mobilehome space rents at La Hacienda Mobile Estates by 6.6%. This is the factor of 75% of 8.8%, the previous year's Consumer Price Index (CPI) for the period between November 1 and October 31. After review of the Application, the Residents' Committee's Opposition, and all other relevant evidence submitted to the Commission, the Commission has determined by preponderance of the evidence that the base rent at La Hacienda Mobile Estates is \$300.00. La Hacienda Mobile Estates may increase its space rents by \$19.80 per month.
<i>Just, Fair, and Reasonable Rent Increase:</i> "...the Commission shall make its decision on the rent increase application. The decision shall approve the amount of rent increase, if any, the Commission determines to be just, fair, and reasonable according to the factors set forth in Section 20-2012..." (FMC § 12-2011(e).)	
<u>Finding 2 – OPTION 1:</u> An Additional Rent Increase Is Just, Fair,	La Hacienda Mobile Estates, LLC has identified three relevant "just, fair, and reasonable" factors to substantiate their rent increase application. " ... (c) Rent lawfully charged for comparable mobilehome spaces in comparable mobilehome parks. ...

<p>and Reasonable</p>	<p>(e) The completion of any capital improvements or rehabilitation work related to or benefiting the mobilehome spaces specified in the rent increase application and the cost of such improvements or work, including but not limited to costs for materials, labor, construction interest, permit fees and other items.</p> <p>...</p> <p>(k) A just and reasonable rate of return on the owner's investment in the mobilehome park. A just and reasonable rate of return shall be one high enough to encourage good management, reward efficiency, discourage flight of capital from the mobilehome park and enable the owner to maintain its credit, shall be commensurate with returns in enterprises comparable to the subject mobilehome park, but shall not be so high as to defeat the purpose of this article to protect residents against excessive rent increases."</p> <p>After review of the Application, the Residents' Committee's Opposition, and all other relevant evidence submitted to the Commission, the Commission has determined that in addition to the Automatic CPI Increase in Finding 1, a rent increase in addition to the Automatic CPI Increase in Finding 1 would be just, fair, and reasonable.</p>
<p><u>Finding 2 –</u> <u>OPTION 2:</u></p> <p>No Additional Rent Increase Is Just, Fair, and Reasonable</p>	<p>La Hacienda Mobile Estates, LLC has identified three relevant "just, fair, and reasonable" factors to substantiate their rent increase application.</p> <p>"...</p> <p>(c) Rent lawfully charged for comparable mobilehome spaces in comparable mobilehome parks.</p> <p>...</p> <p>(e) The completion of any capital improvements or rehabilitation work related to or benefiting the mobilehome spaces specified in the rent increase application and the cost of such improvements or work, including but not limited to costs for materials, labor, construction interest, permit fees and other items.</p> <p>...</p> <p>(k) A just and reasonable rate of return on the owner's investment in the mobilehome park. A just and reasonable rate of return shall be one high enough to encourage good management, reward efficiency, discourage flight of capital from the mobilehome park and enable the owner to maintain its credit, shall be commensurate with returns in enterprises comparable to the subject mobilehome park, but shall not be so high as to defeat the purpose of this article to protect residents against excessive rent increases."</p> <p>After review of the Application, the Residents' Committee's Opposition, and all other relevant evidence submitted to the Commission, the Commission has determined that no amount in addition to the Automatic CPI Increase in Finding 1 would be just, fair, and reasonable.</p>

