Huntington Beach mobile home residents ask for relief as conglomerates buy up parks



Kim DeSante and her son Rory protest with the Huntington Beach Mobile Home Resident Coalition before the city council meeting in Huntington Beach, CA on Tuesday, June 7, 2022. Members were concerned that the council was running out of time to include a Rent Stabilization Ordinance for mobile home residents on the November ballot. (Photo by Paul Bersebach, Orange County Register/SCNG)

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"I plead with you," Robert Herold, 90, told council members at a recent biweekly meeting. "Amend the city charter to put in a carve-out for mobile home parks."

That "carve-out" would provide rent stabilization for the some 6,000 people living at mobile home parks in Huntington Beach.

Mobile home dwellers face circumstances different from those of apartment renters. In most cases, they own their houses and and lease only the land beneath.

"We're kind of trapped in our little homes," said Allison Plum, 72. "We cannot just pick up and leave."

Over the past several years, leases nationwide have climbed as institutional investors scoop up mobile home parks in what was once a mom-and-pop industry. About 22 million Americans live in manufactured homes, one-fourth of which are now owned by private equity firms.

In Huntington Beach, the percentage is even higher: Seven out of 18 mobile home parks are corporate-owned.

For example, Skandia Mobile Country Club off of Bolsa Chica Street was familyowned for five decades. Then in August, <u>it changed hands</u> to Utah-based Investment Property Group.

IPG, which owns more than 100 mobile home parks around the country, paid \$58 million for the 17-acre, 167-unit site.

IPG then raised space rentals from \$1,445 to \$2,195 per month for new residents. For existing residents, the increase is \$75 a month for the next three years — with the possibility that rents could increase again after three years.

"When land rents go sky high, our home values plummet," said Skandia resident Carol Rohr.

Rohr, 66, who is president of the park's homeowners association, said two homes were under contract to sell when IPG bought Skandia. Both would-be buyers dropped out.

A retired mortgage lender, Rohr — like most of her neighbors — lives just fine on a fixed income. But a sudden major rent increase for her space would eliminate



IPG regional manager Valerie Ayala did not respond to a request for comment.

Julie Rodriguez, president of property management for IPG, told the city council during a February meeting that the company had to cover the spike in property tax. Passed in 1978, Prop 13 had kept a lid on the tax until the site — now much increased in value — sold to a different owner.

"The property taxes were reassessed in the amount of \$290 per site per month," Rodriguez said at the time.

California enacted the statewide "Tenant Protection Act" in 2019 — making it illegal for residential landlords to raise rent more than 5%, plus the local rate of inflation, in one year. But the law does not cover mobile home parks.

Nor does Huntington Beach's charter offer any relief to mobile home dwellers. The city passed Measure EE in 2002, which prohibits a rent stabilization ordinance (RSO).

"Save Our Seniors" advocates want the city council to put a measure on the November ballot that would make an allowance for them, since they have no other safeguards. Eighty-six California cities have some form of rent protection for mobile home tenants.

In April, the Huntington Beach Mobile Home Advisory Board — made up of mobile home park representatives as well as dwellers — voted 5-4 to recommend the measure to the council. But council members have not shown much interest.

"They've got their heels dug in pretty deep," Rohr said.

Councilman Dan Kalmick doubts any measure that sounds like rent control would pass in conservative-leaning Huntington Beach.

"Mobile home associations will spend an enormous amount of money to keep the status quo," Kalmick said. "Residents aren't going to be able to levy a milliondollar campaign to change minds."

For the time being, Kalmick plans to ask council staff at the upcoming June 21 meeting to research potential government assistance programs for low-income seniors living in mobile home parks.



Plum, who serves on the city's Mobile Home Advisory Board, said she appreciates that "some on the council are thinking about us."

"Dan Kalmick is trying to give us an olive branch, but it's a very small branch," Plum said. "You have to be in dire straits to qualify for a rental assistance program."

Private equity firms have discovered a gold mine in senior mobile home parks, Plum said: "We're obedient, we're neat, and we're quiet."

The retired flight attendant lives at family-owned Del Mar Estates, paying \$1,200 a month to rent her space.

"My landlords are wonderful," Plum said. "I have not heard any hints that they plan to sell. But seriously, how long can you have \$50 million waved in front of you and not take it?"

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