

Sunnyvale Mobile Home Park Memorandum of Understanding (MOU) Outreach Meetings Questions and Answers

*(All legal responses or personal responses are provided by Resident Stakeholder Legal Counsel,
not by the City of Sunnyvale)*

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Lease Addendum

- **What is the deadline to sign the Lease Addendum?**
 - 60 days after the Lease Addendum was delivered to you. This is twice as long as required by state law to ensure ample time for residents to understand the terms of the MOU.

- **If I signed a long-term lease, do I have to wait until my lease ends to sign the Lease Addendum?**
 - No. The Lease Addendum must be offered immediately and signed within 60 days. If you do not sign now, the terms of the MOU will not apply until your lease expires.

- **Will I get another chance to sign the Lease Addendum next year?**
 - No. The Lease Addendum will only be available at this time and must be signed within 60 days of receipt. Note that some parks may extend this deadline as they were delayed in sending out notices.

- **How does the Lease Addendum affect a long-term lease? Does the Lease Addendum negate parts of the lease?**
 - The Lease Addendum does not negate your current lease but will supersede some provisions to incorporate the terms of the MOU in your current lease. The Lease Addendum applies to your current lease until it expires or your next lease is signed. A resident never has to sign a new long-term lease to stay in a mobile home park. When a long-term lease expires, you become month-to-month if you do not sign a new lease.

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- **Will my rent increase if I sign the Lease Addendum?**
 - You will not get a rent increase just because you sign the Lease Addendum. Annual rent increases will still be based on the anniversary date of your existing lease. Your Lease Addendum regulates your rent increases going forward by establishing maximum annual rent increases. Keep in mind that these are maximums, and it is up to your park owner to determine whether or not to increase rent.

- **How should the Lease Addendum be delivered?**
 - Check tubes, mailbox, front door, inbox, spam folders, etc. Check the location that you normally received lease notices from mobile home park management. You may have to make an appointment to sign the new Addendum, but you may ask for a copy beforehand.

- **I received a Lease Addendum, but it was not already signed by my park owner. Is this normal?**
 - Yes, this is common. Your park owner should sign when your Lease Addendum is returned.

- **My Lease Addendum contains information that I believe is incorrect (lease date, anniversary date, misspelled name, etc.) What should I do?**
 - Reach out to your park management to clarify any dates that you believe are incorrect. It is acceptable for park owners to backdate the effective date of agreements as long as both parties agree. The Lease Addendum should not affect the anniversary date of your lease. If there are misspellings of critical information such as names, ask park management to correct these errors.

- **My Lease Addendum did not include a return address. What should I do?**
 - Reach out to your park management for this information. The City is not collecting Lease Addendums.

- **Are park owners allowed to modify the Lease Addendum? How can I tell if my Lease Addendum has been modified?**
 - Park owners were given the Lease Addendum from City and a model is attached to MOU. Mobile home park owners can make small modifications (park logo, etc.) or include these new terms in a new format. The City has reviewed most Lease Addendums and they are valid. If you believe your Lease Addendum has been substantively modified, contact the City staff at mobilehomes@sunnyvale.ca.gov.

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- **I am a long-term leaseholder and the terms of MOU seem worse than my current lease. Should I sign the Lease Addendum?**
 - This is your choice. Carefully review and compare all the terms of the Lease Addendum with your current lease and compare. This is a personal business decision and it is important to make the best decision based on all of the information that is available to you. The MOU includes multiple financial provisions (annual rent increase caps, Pass Throughs, resale increase caps, etc.) Some current terms of long-term leases may be better than what is offered in the MOU, others may not. Some terms may be more beneficial to you depending on the length of your lease or if you are planning to sell your home. If you determine that the terms of your current lease are more advantageous, you are not required to sign the Lease Addendum. This is the reason the Lease Addendum is optional at this time only. Once your lease expires though, your next lease will incorporate the terms of MOU (this is not optional).

- **My long-term lease expires soon, what is the benefit to signing the Lease Addendum now?**
 - Review and compare all the terms of your current lease with the Lease Addendum to see if the Lease Addendum provides any benefit prior to your lease expiration. If you choose not to sign the Lease Addendum, understand that the terms of the MOU will not apply until your current lease expires.

- **I'm having trouble deciding whether or not to sign the Lease Addendum and would like some help. Who should I contact?**
 - The City cannot provide legal advice, but we have sent out a mailer with several legal resources including the [Law Foundation](#) and [Project Sentinel](#) that can link you to one-on-one assistance.
 - The Resident Stakeholders Group has prepared a table in their flyer as well to help you compare the terms of the MOU with your current lease.

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Long-term Leases

- **If I am a long-term leaseholder and my lease anniversary date arrives, do the terms of the MOU automatically apply?**
 - No. Long-term leaseholders must sign the Lease Addendum to be covered by the MOU terms.

- **My long-term lease expires in May 2022, do I need to sign a new lease?**
 - No. Residents cannot be evicted because their lease expires. Once your current long-term lease expires, your lease will most likely go month-to-month (check with your management) and the terms of the MOU will automatically apply at that point. Check your existing lease for a carryover provision which may provide additional details on the terms of your month-to-month lease. If the park owner offers a new lease, review it to determine if there are any other benefits to a long-term lease.

- **If I sign a new long-term lease that extends beyond the MOU termination date in 2041, how long will the terms of the MOU apply?**
 - It depends. Any lease signed from now until the MOU expires on October 18, 2041 must contain the terms of the MOU. If you sign a new lease that extends beyond 2041, then the terms of the MOU will apply until your lease expires. Otherwise, the MOU will be in effect until Oct 18, 2041.

- **I was on a long-term lease, but I believe it has expired. What should I do?**
 - Reach out to your park manager to clarify your current lease terms. If your lease has expired, you most likely are on a month to month agreement. If you are on a month-to-month lease, the MOU terms will automatically apply to your lease and you do not need to do anything at this time. If your long term lease has not expired, you must sign the Lease Addendum in order for the MOU terms to apply.

- **I'm not sure if I'm on a long-term lease. What should I do?**
 - Contact your park manager to confirm whether you are on a long-term lease or month-to-month. If you received a Lease Addendum, it is likely that your lease is still in effect, but confirm with management.

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Miscellaneous MOU Terms

- **Is there an electronic version of the MOU?**
 - Yes. [Read the MOU](#).

- **Does the MOU offer any benefits that are not financial?**
 - The provisions of the MOU are focused on offering financial protections for residents. State Mobilehome Residency Law provides non-financial protections.

- **I thought my park offered a safety net program, but it is not reflected in my Lease Addendum. Has the safety net program changed?**
 - The Safety net program is not in the Lease Addendum but is discussed in the MOU. Each park's program may vary slightly, so each park will offer their own version. Reach out to your park manager for more information.

- **How will other issues (such as one-time charges or evictions) that are not explicitly identified in the MOU be addressed?**
 - Mobilehome Residency Law still applies to all mobile home park residents. The law prohibits owners from charging a flat fee and Section 798.31 of Mobilehome Residency Law discusses authorized fees. Pass Through costs are explicitly addressed in the MOU. A Mobile Home MOU Committee will be formed and can review any charges that may be deemed inappropriate.
 - Mobilehome Residency Law includes only seven grounds for evictions.

- **Since Mobilehome Residency Law only applies to people already living in mobile home parks, not prospective new buyers, how does the MOU affect new buyers?**
 - New residents who purchase after the 10/18/21 MOU execution date will be subject to the MOU. The Lease Addendum is for current long-term leaseholders so their leases can incorporate the terms of the MOU.

- **Do Mobilehome Residency Law eviction controls apply to renters at mobile home parks?**
 - Mobilehome Residency Law eviction controls do not apply to renters.

- **If a mobile home park is sold, does the MOU transfer to the new park owners?**
 - Yes, the MOU is recorded to the land and will stay with the mobile home park until the expiration of the MOU.

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Month-to-Month Leases

- **What is the impact of the MOU on month-to-month residents? Can there be multiple rent increases per year with a month-to-month lease?**
 - Month-to-month renters don't need to sign a Lease Addendum, the terms of the MOU automatically take effect the month after that MOU was signed.
 - For month-to-month leases, owners can make modifications to the lease terms if the modifications do not violate the terms of the MOU and the resident is provided sufficient notice.
 - Some Mobile Home Parks may offer a whole new month-to-month agreement, but otherwise month-to-month renters may not be offered anything to sign since the MOU terms will already apply.

- **Are multiple base rent increases per year allowable under month-to-month leases?**
 - No. Your rent may be increased only once annually effective on the date of your last rent increase.

- **If I am on a month-to-month lease and my owner pushes me to sign a new month to month lease, what is the correct response?**
 - It is important to review the lease that has been offered to you to determine if there are any benefits, but ultimately you are not required to sign a new lease and the terms of the MOU will automatically apply to your month-to-month lease.
 - The City has reached out to mobile home park owners to clarify that month-to-month residents are not required to sign a new lease. You may choose to sign a new month to month if you wish, but it is not mandatory for the terms to take effect.

- **I have a month-to-month lease and my park owner has delivered an agreement that will require me to be responsible for additional maintenance and other items that I was never responsible for previously. What should I do?**
 - If you are on a month-to-month lease, you do not have to sign this document in order for the MOU terms to take effect. Carefully review any document that your park owner delivers. Some of these documents may include harmful provisions such as waivers of liability and mandatory arbitration that are only enforceable if signed by you.

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Outreach and Engagement

- **I have more questions about the MOU. Who should I contact?**
 - If you have additional questions on the MOU or your Lease Addendum, visit the City's [Mobile Home Parks webpage](#) or contact the staff at mobilehomes@sunnyvale.ca.gov.
 - The Resident Stakeholder Group is hosting a meeting to discuss the MOU on Monday, December 6 at 6:30pm. Translation will be available in Spanish, Vietnamese, and Chinese. [Register for the Forum](#).
 - The City sent out a mailer with several legal resources including the [Law Foundation](#) and [Project Sentinel](#) that can link you to one-on-one assistance.
 - [Subscribe](#) to the City's email distribution list for additional updates on the MOU.

- **Will materials be available in other languages aside from English and Spanish?**
 - The City hasn't received requests for languages other than English and Spanish. City can offer translation services for individual questions if needed, contact us at mobilehomes@sunnyvale.ca.gov ahead of time for any language besides English or Spanish.

- **How can the City ensure that people have received and reviewed the Lease Addendum?**
 - We have worked with advocates for outreach in mobile home parks. City has sent a mailer to each resident, with a letter and frequently asked question on the MOU and Lease Addendum. If you didn't receive a mailer you can view the frequently asked questions and MOU at the City's [Mobile Home Parks webpage](#).
 - The City has held four outreach meetings with allotted time for questions and answers. An additional forum will be hosted by the Resident Stakeholder Group on Monday, December 6 at 6:30pm with translation available in Spanish, Vietnamese, and Chinese. [Register for the Forum](#).
 - [Subscribe](#) to the City's email distribution list for additional updates on the MOU.

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Pass Throughs

- **Are Pass Throughs new?**
 - Pass Throughs are not a new concept and have been allowed under state law for some time. Pass Throughs do not occur out of thin air. They must be based on an actual cost incurred by your park owner that is allowable under the MOU (such as property tax, capital improvement, capital replacement, etc.)
 - Any mobile home resident can already receive Pass Throughs. The MOU does not lead to new Pass Throughs for residents, but instead limits the types of Pass Throughs and makes them more transparent and evenly distributed amongst all residents of your park. Pass Through categories in the MOU are reflective of what is typical in most long-term leases. Uninsured losses is one example of a Pass Through that is not allowed under the MOU.
 - The MOU imposes new limitations to Pass Throughs by establishing amortization schedules to ensure that the cost of Pass Throughs is spread out over a number of years.
 - For residents on a month-to-month lease, you may have already experienced Pass Throughs in the form of rent increases. This can be worse since these increases will become part of the base rent and are subject to future annual rent increases. Pass Throughs do not become part of the base rent and are not a factor for annual rent increases.

- **What are some examples of Pass Throughs?**
 - There are five types of Pass Throughs allowed under the MOU. Government fees, capital improvements, capital replacements, property tax increases, and emergency or disaster-related costs. These types of Pass Throughs are common to most long-term leases. Capital improvements can only be included as a Pass Through if they have been approved by a majority vote of residents in your park.

- **Is there a cap on Pass Through amounts?**
 - The MOU does not cap Pass Through amounts. However, allowable Pass Throughs are clearly defined in the MOU and amortization terms are identified based on the type of Pass Through.

- **Can I receive multiple Pass Throughs per year?**
 - Yes. Multiple different types of Pass Throughs are possible in a year. Keep in mind that this was already possible before the MOU and that Pass Throughs must be based on an actual cost incurred by your park owner.

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- **What types of Pass Throughs require resident approval? How does this work?**
 - Capital Improvements are the only Pass Through that requires resident approval. Each space will be able to vote on the item and a majority of park residents must approve the improvement.

- **Was the disaster-related events cost discussed in the MOU?**
 - Emergency or Disaster-related events costs are included in the MOU and in your Lease Addendum as an allowable Pass Through cost.

- **For disaster-related Pass Throughs, how do we know our park owner has proper insurance?**
 - Per the MOU, disaster-related expenses can be passed to residents net of any insurance proceeds, grants, or assistance received by your park owner. Park owners are required to maintain the types and amounts of insurance provided in your lease. Residents can request proof of insurance coverage from their park owner.

- **The MOU states that Pass Throughs for Capital Improvements will be amortized per the applicable amortization schedule of the U.S. Internal Revenue Code. My current lease establishes other amortization schedules for Pass Through costs. Why does the MOU defer to the Internal Revenue Code?**
 - The MOU defers to the Internal Revenue Code on this topic because depending upon the type and size of the Capital Improvement or Capital Replacement, a shorter or longer amortization schedule may be appropriate.

- **The definition of “Capital Replacements” in the MOU excludes replacements to gas and electric systems, but not water and sewer systems. Why is this?**
 - This is related to state law which prohibits some mobile home park owners from recovering the costs of improving gas and electric systems from park residents.

- **How are property tax Pass Throughs monitored? Do all property tax Pass Throughs stop after the fifth year of amortization?**
 - The City does not monitor the park’s property taxes, but the MOU provides that Pass Throughs are distributed as fairly and evenly as possible for all residents in your mobile home park.
 - The County Assessor determines property taxes and makes property tax information publicly available and residents can verify any property tax with the Assessor.
 - There are two types of property tax Pass Throughs. The first is a supplemental tax that results from a reassessment when a mobile home park is sold in an arm’s length transaction. It may take several years for this amount to be determined by the County Assessor. The MOU allows for supplemental tax increases to be Pass Throughs amortized over five years.

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- The second type of property tax Pass Throughs are annual increases to the tax base that are more than 2% in a given fiscal year. These Pass Throughs can occur annually.
- **Shouldn't property tax Pass Throughs be included in my rent? Why are they allowed as a Pass Through?**
 - State law establishes property tax pass throughs as a cost of operation, so they may be included as a Pass Through or as part of the base rent.
- **Would a property tax Pass Through be the most expensive type of Pass Through?**
 - It depends. If the park is held by the same ownership for many years and is sold at an arm's length transaction, a supplemental property tax increase could be significant. Capital Improvements and Capital Replacements may also be significant depending on the size, scope, and applicable amortization schedule.
- **I have questions about how my property tax Pass Through was determined based on the Assessor's tax value. What should I do?**
 - This is a topic that would require additional investigation. If this is a concern, it should be discussed at a separate resident meeting.
 - If there is evidence that a park owner is not adhering to the Pass Through terms in the MOU, contact the City at mobilehomes@sunnyvale.ca.gov.
- **I received a local property tax bill from the County. How does this relate to property tax Pass Throughs?**
 - Local property tax is the tax on your personal property, which in this case, is your mobile home. This is not connected to the MOU or the property tax Pass Through.
- **Do I have to pay a Pass Through off before I sell my home?**
 - No. The Pass Through will be inherited by the buyer. Prospective buyers must be made aware of any Pass Throughs prior to purchasing.
- **I already received Pass Throughs in my base rent, which has increased as a result. Does the MOU address this?**
 - The City has no legal power to interfere with an existing contract and cannot roll back or freeze rents. Pass Throughs already existed under state law. The MOU simply provides new limitations to Pass Throughs with more transparent protections and amortization schedules.
- **If laws change regarding Pass Throughs, will this be reflected in my lease?**
 - Property tax Pass Throughs were validated recently at the state level and it is not anticipated that these laws will change.

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Rent Increases

- **In the Lease Addendum it states that rent may be increased “as of the Anniversary Date and on each Anniversary Date thereafter.” What does this mean?**
 - For long-term leaseholders, annual rent increases will be effective on the anniversary date of your lease, not on the date that your Lease Addendum was executed.
- **What is Consumer Price Index (CPI)? How is it calculated? Which one applies and when?**
 - CPI refers to the Consumer Price Index increase rate. Rent increases will use the CPI for All Urban Consumers for SF-Oakland-Hayward Region. Park owners will monitor CPI to use what is in effect when rent is increased. CPI is an annual calculation and consists of many expense categories. [The US Bureau of Labor Statistics website](#) shows how CPI is calculated. When notice of rent increases go out, your park owner should show CPI and how it is derived. A 90-day notice is required for rent increases and owners will use CPI at the time of notice.
- **The allowable annual rent increase is the greater of 3% or 75% of Consumer Price Index (CPI). What is the CPI currently?**
 - For October 2021, the CPI for the San Francisco/Oakland/Hayward region is 3.8%. [The Bureau of Labor Statistics website](#) shows current and past CPI.
- **I’m a long-term leaseholder whose new lease began on 11/1/2021 and included a 7% rent increase. I contacted park management and they did not have a copy of the Lease Addendum to sign on 11/1/2021. Is this rent increase allowed?**
 - This would be allowed. For long-term leaseholders, the terms of the MOU do not apply to your lease until the Lease Addendum is signed.
- **I haven’t had a rent increase since the pandemic. If I sign the Lease Addendum will my rent increase?**
 - You will not get a rent increase just because you sign the Lease Addendum. Annual rent increases will still be based on the anniversary date of your existing lease. Your Lease Addendum regulates your rent increases going forward by establishing maximum annual rent increases. Keep in mind that these are maximums, and it is up to your park owner to determine whether or not to increase rent.
- **What date establishes the anniversary date for rent increases upon transfer/new buyer?**
 - The date for new buyer rent increase steps (5%/10%/15%) is tied to the MOU signature date of 10/18/21.
- **What are the allowable exemptions from rent increases upon transfer/new buyer?**

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- Allowable exemptions to rent increases at transfer are included in Section 3d of the Lease Addendum.

- **I live in Plaza Del Rey and have a long-term lease. My current rent is already above the \$2,250 threshold. Based on the MOU, my rent will continue increasing. Will the MOU be modified to add any other advantages such as maximum rent caps?**
 - MOU is in place for 20 years and there is no plan to modify it at this time. The MOU does provide a benefit at resale since space rent will now be capped at \$2,250 as indexed.
 - The mobile home park resident group understood the issue of residents who are over the \$2,250 threshold, but the City has no legal power to interfere with an existing contract and cannot roll back or freeze rents. Negotiations were successful in that mobile home park owners agreed to the Lease Addendum to modify their existing leases.