

Good evening. My name is Carol Brinkman. I have lived in my MH Park for 14 years. I live in El Nido MH Estates in San Juan Capistrano. My city enacted a rent stabilization ordinance (RSO) in 1979. In the past 43, there has been affordable housing for low- and middle-income residents in a town that is very similar to Huntington Beach.

ONLY MHs in SJC are governed by the RSO, not apartments & not rental homes. The city created affordable housing by providing rent control for the 7 MH parks and the 1,216 homes in those parks. These parks represent SJC's largest segment of non-subsidized affordable housing. According to our Housing Element, MHs are 12.4% of the city's housing stock. Yes, San Juan includes MHs in its Housing Element Plan.

MHs are known to depreciate disproportionately to other real estate investments. BUT my home is in an RSO-controlled jurisdiction, so it appreciates in value and is building equity. The affordable rent makes my home desirable and valuable. Homes sell within days. And, as my home appreciates, the value of the park appreciates. Every MH Park in SJC is clean, well-maintained, is a desirable place to live, and has zero vacancy. Vicky Talley can confirm what I say because she lives in a gated community within walking distance from my MH Park.

A person who owns their home is usually a long-term resident of the community and traditionally is more willing to maintain their home and contribute to their community, than a renter who tends to be more transitory. Owning my home means I have strong roots in their community: I spend money in our community, and I volunteer. I volunteer as a Docent at the Mission in SJC.

I bought my home in SJC **because of** its RSO. I wanted the security that my rent would go up incrementally by a known factor that is fair: it rises commensurate with the annual CPI increase.

The RSO **also protects my park owner's investment in the land**. I knew that he – like me – chose to make a safe investment into a tangible asset, guaranteed to keep up with the cost of living and one that would appreciate over time. I

had a formula that I could count on for my annual rent increases. The same formula guaranteed the park owner a very safe and steady profit on his investment with little risk: he had zero vacancies, he did not have to make home repairs or update home appliances, and the rent he collected paid his mortgage and expenses.

I discovered another way the RSO protected the park owner. A rent control ordinance states that he is entitled to a **fair and reasonable return** on his investment. A resolution process is written into every ordinance that allows him to ask for more rent if he can justify his request. In 2015-16, my park owner asked for a \$641 dollar space rent increase instead of the 1.3% CPI adjustment of \$7-\$15 per space. The residents petitioned the city to deny the increase. The city appointed a neutral Hearing Officer for the resolution process. The officer ruled an increase was appropriate but smaller than the owner requested. In a letter to the MHET conference the next day, the owner's attorney claimed a victory.

Both the park owner and the residents were satisfied with the result. Neither side got what they fully wanted, but each side was heard. Space rents remained affordable; the park owner got a fair and justifiable return on his investment that he considered a victory. Due process was accomplished. As far as I know, this incident has been the only dispute in 43 years, and it was resolved to the satisfaction of each side.

I urge Huntington Beach to recognize the value of the MHs in your community as non-subsidized affordable housing that will only remain so IF they are protected by a Rent Stabilization Ordinance.

Thank You.