

"MODERN DAY "ROBBER BARONS"

By Lloyd L. Rochambeau

"Robber Baron" was a term applied to businessman in the 19th century who engaged in unethical and monopolistic practices, wielded political influence and amassed enormous wealth. Google the term for more in-depth explanations. It is seldom used today, although it certainly exists. One perfect example is the mobile home park ownership which currently exists in California. The State government has established laws (Mobile Home Residency Law) supposed to provide protection for mobile and Manufactured home owners, however provide no enforcement. The result is that citizens who are often impoverished, unsophisticated, and intimidated can only gain these rights by retaining an attorney and taking their landlords (owners of the tiny piece of dirt upon which their home is situated) to court.

Mobile home dwellers are a captive group subjected to unfair and unscrupulous actions by investors who are the modern day version of ROBBER BARONS. Not all Park Owners are guilty of unethical, abusive and immoral management practices, but far too many are openly and flagrantly fulfilling the modern role of the detestable and heartless unethical money hungry owners contributing to the financial ruin of elderly, unsophisticated, helpless and often impoverished homeowners under their domination.

The general public, faced with so many injustices in today's society, are virtually blind to the mistreatment of those who mistakenly bought into the idea of being part of the American dream of owning their home. They cannot afford the ridiculously exorbitant \$400,000 to a million dollars or more homes and condos that only the wealthy can afford.

City Councils, even those who have a version of rent control intended to protect the lowly homeowners who are the victims of unbelievable abuses, are being duped and threatened with costly law suits, to side with investors rather than with their own citizens.

They often fear these Robber Barons, because they have billions of dollars at their disposal to sue and harass City governments. Not to mention the hundreds of thousands of dollars in contributions to campaign funds and undoubtedly some going directly into the pockets of officials elected to serve the people.

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There is minimal power in the ranks of homeowners, so maybe it is time to start playing rough. Picketing and protesting at City Hall probably has little effect. What might be next, is to start picketing the businesses and homes of the Council members, and doing the same at the homes and businesses of the Park Owners, their Managers and their attorneys (who by the way, are often guilty of devising contemptible strategies to enable and perpetuate the monopolistic actions of their clients)? They are like modern day gun slingers for hire.

Maybe homeowners should try to shame these Robber Barons by exposing them publicly for what they are doing and for what despicable human beings they are. Even some judges are taken in by these evil people, some through ignorance of the intricacies of mobile home law, and some who are also on the receiving end of their financial support.

It is acknowledged that not all Park Owners are guilty of these offenses, some are fair and reasonable in their dealings with homeowners.

So, maybe Homeowners should start making the protest signs and plotting where to take them. What do they have to lose? Not much else has been working in their favor. If they wait for the State legislature to take action, hell may have already frozen over.

Lest you think they are just a bunch of whiners, a recent example of this greed gone wild, is up in San Juan Capistrano where a small mobile home park sits just off the Ortega Highway, on the eastern side of the 5 freeway, a few miles from the beach. The park was purchased a few years ago for about 13 million dollars when space rents were ranging from \$500 to \$700 a month, and under the protection of a rent control ordinance.

The new owner, Mr. Worley notified the residents that the 2015 rent increase was to be \$ 1.3 %, but then in May rescinded that increase and advised them it was now to be a \$641 monthly increase. A determination by the SJC City Council reduced that to \$37.00 a month. Which in itself is about six times the CPI increase for 2015.

With 156 spaces in the park, the \$641 would have been \$ 99,996 more income for Mr. Robber Baron each MONTH. That pencils out to \$1, 199,952 a year, add that to the estimated income of over \$1,300,000 for a total take of over two and a half million dollars a year. The cost of operating the park is probably less than \$400,000 per year. No one, not even a Robber Baron with a limousine full of

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Attorney gunslingers could justify such a rip-off. Adding insult to injury, after winning the 2015 reduction in their requested rent increase, the law required the Homeowners to pay \$35,000 for the losing Park Owner's attorney.

So the debacle in 2015 is now being followed up with a 2016 rent increase of over \$403.00 per month. The alternative offered was to sign a long term lease with only a \$57.00 increase in the monthly rent. Signing any long term lease removes the space from the protection intended with the City's Rent Control Ordinance. On October 17th, the Council Rent Review rejected the \$403.00 increase requested and decreed the increase to be less than 0.9% (ranging from \$5.09 to \$10.14 per month).

Lest you think this is the only such case in California, think again. It is happening far too often, although this is most egregious case I have heard about.

What is needed is state-wide rent control for all mobile home parks. Please don't throw New York's rent control fiasco in my face, it can be done fairly with a little intelligence. It is bad enough for apartment dwellers with rents climbing far above the CPI increase guidelines, but mobile and manufactured homes are in a unique position. They are not effectively mobile, since the cost of moving them and the nearly non-existent relocation options make them pretty much stationary, thus they stay put (trapped) for many years, whereas apartment dwellers can move with much more ease.

Ten of 49 plaintiffs were recently awarded a judgment of over 58 million dollars in compensatory and punitive damages against another Robber Baron in the Terrace View Mobile Estates case in San Diego, after a wait of four years. The case focused on Breach of contract/Covenant of Good Faith and Fair Dealing, Failure to Maintain, Negligence, and Elder Abuse. In true Robber Baron fashion, one of the Park Owners has a 100 million dollar mansion in Los Angeles, which no doubt was paid for by his tenants.

Just think, this comes from a lifelong conservative Republican, and that's over 60 years of voting straight Republican for Presidential elections.. But it also comes from thirty plus years of living in mobile home parks (or Estates as they are often called today). For a State desperate for affordable housing, allowing Robber Barons to drive out folks who cannot afford exorbitant rent for a small piece of dirt is merciless and despicable, and city and state governments need to put a stop to it. But unfortunately, these folks being taken advantage of, too

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often thought of as trailer trash living in trailers, not in factory built homes with investments of \$50,000 to \$250,000 for their not- so-mobile homes. Park Owners and investors see them as cash cows. There are other cases that bear witness to my claims throughout the State. Other parks are also being attacked by City governments adopting the long term space lease approach to relieve themselves of rent control responsibility, which failed here in San Marcos earlier this year.

Rent control is one answer, enforcement is another. Of course, the Robber Barons will fight anything that brings a level playing field and cuts into their power and their profits.