



City of San Leandro

Meeting Date: March 4, 2019

Staff Report

File Number: 19-102

Agenda Section: ACTION ITEMS

Agenda Number: 10.A.

TO: City Council

FROM: Jeff Kay
City Manager

BY: Tom Liao
Community Development Director

FINANCE REVIEW: Not Applicable

TITLE: Staff Report for a Proposed City of San Leandro City Council Ordinance to Add Mobilehome Space Rent Stabilization to the City of San Leandro Municipal Code (An Ordinance that Would Regulate Space Rents in San Leandro Mobilehome Parks)

SUMMARY AND RECOMMENDATIONS

Mobilehome Parks represent an important stock of affordable housing in cities and counties throughout California. There are nine (9) Mobilehome Parks in San Leandro. In the last two years, there have been two Mobilehome Parks in the City that have changed ownership: Trailer Haven (September 2016) and Bayshore Commons, which was formerly Estudillo Trailer Park (October 2017). Subsequent to the changes in ownership, city staff received anecdotal reports of displacement and space rent increases. The Sandev Mobilehome Park is currently for sale.

On January 14, 2019, the City Council held a work session to solicit public input and review potential content for a Mobilehome Space Rent Stabilization Ordinance (the "Ordinance"). City staff summarized key components for an ordinance and presented comparable local ordinances. The City Council provided comments and direction to staff to prepare the Ordinance.

Staff recommends that the City Council adopt the proposed Ordinance, which would add Chapter 4-39 "Mobilehome Space Rent Stabilization" to the San Leandro Municipal Code.

BACKGROUND AND ANALYSIS

The Ordinance will establish a method to review mobilehome park space rent increases, protect Mobilehome Owners from arbitrary, capricious, or unreasonable rent increases, and ensure that Mobilehome Park Owners, operators and/or investors receive a fair and reasonable return on their investment. Below are components of the proposed Ordinance.

Definitions

- Base Rent - rent in effect for a Mobilehome Space on July 1, 2018.
- Base Year - the 2018 calendar year or, if a Fair Return Application subsequently establishes a new Base Rent, the calendar year preceding the year the application is made.
- Fair Return Application - an application to the City seeking to increase space rents above one hundred percent of the Consumer Price Index (CPI) to provide a fair return to the Mobilehome Park Owner.
- Mobilehome - a structure designed for human habitation and for being moved on a street or highway including manufactured homes and trailers and all other recreational vehicles of all types defined in section 18010 of the California Health and Safety Code. Recreational vehicles defined in section 799.29 of the Civil Code and section 18010 of the Health and Safety Code and certain motor homes, truck campers, and camping trailers covered under California Civil Code Section 798.3(b) (the Mobilehome Residency Law or MRL) are not included in the Ordinance's definition of Mobilehome. The MRL is the State law regulating Mobilehome Parks.
- Mobilehome Owner - a person who owns a Mobilehome and legally occupies the Mobilehome within a Mobilehome Park.
- Mobilehome Park - an area of land within the City of San Leandro where two or more Mobilehome Spaces are rented, or held out for rent, to accommodate Mobilehomes.
- Mobilehome Space - the spaces within a Mobilehome Park intended, designed or used for the location or accommodation of a Mobilehome and any accessory structures or appurtenances attached thereto or used in conjunction therewith.
- Mobilehome Park Owner - the owner or operator of a Mobilehome Park or an agent or representative authorized to act on said owner's or operator's behalf in connection with the maintenance or operation of the Mobilehome Park.

Eligibility

The following are eligible for Mobilehome Space rent stabilization under the proposed Ordinance:

- Mobilehome Owners whose space is not covered by a valid lease meeting the requirements of section 798.17(b) of the MRL, or otherwise legally exempt from local rent stabilization regulations.

- Under MRL, Mobilehomes which include trailers or other recreational vehicles that have occupied a Mobilehome Space on November 15, 1992 under a rental agreement with a term of one month or longer and Mobilehomes that have occupied a Mobilehome Space in a Mobilehome Park prior to January 1, 1991.
- Under MRL, trailers or other recreational vehicles that occupy a Mobilehome Space in a Mobilehome Park for nine or more continuous months on or after November 15, 1992.

Base Rent

- In general, the Ordinance establishes a base rent in an amount not exceeding the 90th percentile of all rents in effect in the Mobilehome Park at the time the Mobilehome Space is rented.
- Base rents under the Ordinance may change under other circumstances such as expiration of an exempt lease.

Space Rent Increase Cap

- Establishes an annual rent increase, which is the lesser of the increase to the Consumer Price Index (CPI) or four percent (4%) once in a twelve (12) month period.
- Requires that Mobilehome Park Owners provide written notice of rent increase or capital improvement/replacement pass-through charges to the City's Rent Review Officer and each affected Mobilehome Owner at least 90 days before the rent increase goes into effect or as required by the MRL.

Special Circumstances Households

The proposed Ordinance addresses Mobilehome Owners whose incomes and capacity to pay rent are limited based on objective factors. The Ordinance provides protections from capital improvement pass-throughs to "Special Circumstances Households" based on the following objective factors:

- One (1) resident that is sixty-two years of age or older; **or**
- One (1) resident qualified as disabled as defined by Title 42, United States Code section 423 or handicapped as defined by California Health and Safety Code Section 50072; **and**
- A total household income that is below fifty percent (50%) of the Alameda County area median household income as established annually by the U.S. Department of Housing and Urban Development, or closest equivalent if the HUD income limits no longer exist.

Exemptions

The proposed ordinance recognizes that California state law provides for certain exemptions that preempt local law including the following:

- Newly constructed Mobilehome Spaces initially held out for rent after January 1, 1990.
- A Mobilehome Space upon which there is a Mobilehome that is not the principal or primary residence of the Mobilehome Owner.
- Civil Code Section 798.17(b) allows an exemption from any city ordinance that establishes a maximum amount that a landlord may charge a tenant if there is a different rent amount allowed in a signed rental agreement. This is allowed only while the rental agreement is active and has not lapsed.
- Mobilehomes or Mobilehome Parks owned or operated by any governmental agency.
- Any Mobilehome that is also a rental unit where the rent is subsidized pursuant to a public program that limits the rent that can be charged for the Mobilehome.
- Mobilehome Parks with fewer than 10 spaces.

Vacancy Decontrol

Under the Ordinance, it would be lawful for a Mobilehome Park Owner or operator to charge a new Mobilehome Space rent beyond the space rent thresholds established under the Ordinance pursuant to the following:

- Voluntary in place sale or transfer of a Mobilehome which remains in place on the space or pad.
- Voluntary removal of a Mobilehome by the Mobilehome Owner who will no longer reside in the park.
- Vacancy occurring after the park owner obtains a judgement of unlawful detainer or other legal termination of tenancy.
- Abandonment of the Mobilehome.

The Ordinance establishes the following circumstances where it would be unlawful for a Mobilehome Park Owner or operator to charge Mobilehome Space rent beyond the space rent thresholds under the Ordinance:

- Mobilehome Owner replaces his/her mobilehome unit on the existing space.
- Mobilehome owner legally transfers title to existing lawful residents of the Mobilehome, or the Mobilehome Owner legally transfers title to a parent or parents, siblings, children,

grandchildren, nieces or nephews.

Fair Return Rent Increases

The Ordinance establishes a method to ensure a fair rate of return to park owners based on the concept of Maintenance of Net Operating Income (MNOI).

- Provides a method to calculate Net Operating Income (NOI) based on Gross Rental Income and Operating Expenses (as both are defined in the Ordinance). NOI would be calculated by subtracting operating expenses from gross rental income.
- Gross rental income would not include: utility charges for submetered gas and electricity; charges for water, refuse disposal, sewer service and/or other services provided by or charged to the Mobilehome Owner solely on a pass-through basis and/or are regulated by state or local law, laundry service charges, storage charges, and rental income spaces exempted from rent limits by state law or the Ordinance.
- Operating expense exclusions would include: mortgage principal or interest payments or other debt service costs; penalties, fees or interest assessed or awarded for violations of the Ordinance or other laws; depreciation; political contributions; and master-metered gas and electricity services.

Process to Consider Alternate or Settlement Proposals

The Ordinance allows an opportunity for - and a period where - either the Mobilehome Owner(s) or Mobilehome Park landowner may propose an alternative and mutually agreeable rent change.

If an offer for settlement is rejected and the rejecting party fails to obtain a more favorable decision or award, the rejecting party cannot recover his or her post-offer legal expenses and must pay for the offering party's legal costs from the time of the offer. When settlement offers have been submitted in a timely manner, but neither were accepted, the Rent Review or Hearing Officer may assign responsibility for legal costs based on which party failed to obtain a more favorable decision.

Procedures for Rent Review

The Ordinance allows Mobilehome Park Owners and affected Mobilehome Owners a request for review by the Rent Review Officer once within any 12-month period year for applications seeking:

- Rent increase based on a Fair Rate of Return;
- Temporary increase in rent based on a Capital Improvement Cost pass-through;
- Temporary increase in rent based on a Capital Replacement Cost pass-through;
- Rent reduction based on a reduction of services by the Mobilehome Park Owner.

Notification of the rent review application must be sent to the Mobilehome Owner, or the owner's representative. A copy of the rent review application must also be available for public review and copying in City Hall during normal business hours. The Rent Review Officer may determine the need for financial expertise (a certified public accountant, for example) to verify the accuracy of application-related financial documentation.

Applications for rent review will be decided by the Rent Review Officer, which will be the Community Development Director or his or her designee, based on substantial evidence and without a hearing or personal appearances by any of the involved parties or their representatives. The Rent Review Officer's determination will be mailed and emailed to the park owner and the Mobilehome Owners, and if applicable, to their representatives.

Appeal of the Rent Review Officer's Decision

The proposed ordinance provides procedures for appealing the Rent Review Officer's decision. There will be a 30 day deadline from the date the Rent Review Officer mailed his or her decision. For Mobilehome Owners to appeal a rent increase or pass-through, at least 25% of the affected Mobilehome Owners within the park must sign the appeal application.

A Hearing Officer would review and make a decision regarding the appeal. The Hearing Officer will be a licensed attorney and member of the California Bar. The Hearing Officer will be selected through the California Office of Administrative Hearings (OAH), or through the City Manager if the OAH is unable to provide hearing officers. The Hearing Officer must conduct a public hearing where both the park owner and Mobilehome Owners can attend and present their cases.

Rights of Prospective Mobilehome Owners

The proposed ordinance requires that Mobilehome Park Owners offer to prospective Mobilehome Owners in the City's Mobilehome Parks the right to receive the benefits of the Ordinance, that they are offered an initial lease agreement of at least 12 months, and that they provide a copy of this Ordinance for the prospective Mobilehome Owner's information.

Annual Registration/Noticing

The proposed Ordinance requires that Mobilehome Park Owners register with the City annually. The City will track contact information and the name of the legal entity, if any, that has an ownership interest in the Mobilehome Park. Additionally, the annual registration will require information on the rents as well as any other charges by the Mobilehome Park Owner for a Mobilehome Owner's occupancy of a Mobilehome Space. In recent years, when Mobilehome Parks have changed ownership, the City has invested significant staff time to address problems and conflicts with these changes in ownership. The Ordinance proposes that the City and all Mobilehome Owners in a Mobilehome Park must be notified of any change in ownership, and that the prospective park owners will be informed of the Ordinance.

Prohibition of Retaliation

The following conduct by a Mobilehome Park Owner will be considered unlawful under the Ordinance:

- Eviction of a tenant as retaliation for organizing, petitioning, or exercising rights granted by the Ordinance.
- Any retaliatory conduct, including threats to bring an action to recover possession of a mobilehome park space, harassment, unlawful mobilehome park space rent increases, or unlawfully imposing requirements.

Miscellaneous

- An affected Mobilehome Owner may refuse to pay any illegal rent in excess of the maximum rent increase amount authorized under the proposed Ordinance. Such unpaid rent in excess of the maximum rent increase permitted will be a defense in any action brought to recover possession of a Mobilehome Space for nonpayment of rent or to collect the illegal rent.
- The following rent increases may be implemented anytime during the year: 1) government mandated expense pass-throughs, 2) utility pass-throughs, 3) capital improvement pass-throughs, and 4) in-place transfer rent increases (e.g., eligible change of ownership of the Mobilehome unit, which remains in its space).
- All prospective tenants must be offered the option of a tenancy of 12 months or less upon terms consistent with the proposed Ordinance unless the Mobilehome Park Owner and the Mobilehome Owners mutually agree upon their own lease terms.

Previous Actions

On July 16, 2018, staff provided the City Council general information on the status of City Mobilehome Parks. City Council members requested that staff return to the City Council Rules Committee for further discussion and public input regarding mobilehome park space rent.

On January 14, 2019, the City Council held a work session regarding the elements of a proposed Ordinance.

Committee Review and Actions

- On October 22, 2018, the City Council Rules Committee held a meeting to receive public input regarding 1) mobilehome park space rents. The City Council Rules Committee directed staff bring the matter to a January 2019 City Council Work Session.

Applicable General Plan Policies

- Housing Element Goal 56 Affordable Housing Conservation; Policy 56.08, Conservation of Mobile Home Parks - promote the conservation and rehabilitation of mobile home parks without displacing tenants or reducing the number of affordable units. Mobile home parks should be recognized as an important affordable housing resource for San Leandro's seniors and low-income households.
- Housing Element Policy Action 56.08-A: Mobile Home Rent Stabilization - Consider adopting a mobile home rent stabilization ordinance similar to the agreement currently in effect for Mission Bay. (The agreement would apply more broadly to residents of all mobile home parks in the city and help protect the city's supply of mobile homes.

Environmental Review

Approval of the ordinance is exempt from further environmental review under the general rule in California Environmental Quality Act (CEQA) Guidelines Section 15061(b)(3) that CEQA only applies to projects that have the potential for causing a significant effect on the environment.

Summary of Public Outreach Efforts

For tonight's meeting and prior City Council public meetings regarding mobilehome park space rent stabilization, city staff contacted the owners and/or owners' representatives of all nine Mobilehome Parks. The City also sent notices to all park residents. Staff emailed copies of the notice to an ongoing interested parties email list. A notice for tonight's meeting was also posted online on Nextdoor.

All public comments received in writing as of the finalization of the agenda materials are included with the agenda.

Legal Analysis

The proposed Ordinance was prepared by the City Attorney's Office and staff.

Fiscal Impacts

The projected annual cost to administer the Ordinance could range from approximately \$30,000 to \$75,000 depending on the volume of applications for review and appeals. Thus, Ordinance administration could impact the General Fund should fee revenue to offset the costs not be approved. The Ordinance, as proposed, does establish the options for an administrative fee based on a dollar amount per each Mobilehome Space in the City pending future approval by the City Council. The annual fee would cover the costs to administer the Ordinance, including city staff (e.g. a Senior Housing Specialist, Project Specialist, or City Attorney time), a Rent Review Officer, a Hearing Officer, and professional financial services (such as a certified public accountant). Mobilehome Park Owners may pass through up to 50% of any fee approved by the City to Mobilehome Owners in their parks.

ATTACHMENTS

Attachments to Staff Report

- Exhibit A: Public Written Comments

Attachments to Ordinance

- Exhibit A: Proposed Mobilehome Rent Stabilization Ordinance

PREPARED BY: Maryann Sargent, Senior Housing Specialist, Community Development Department

Exhibit B: Mobilehome Rent Stabilization Public Comments Received as of February 25, 2019

10/6/18

Anonymous caller with comments re: 10/22/18 Rules Committee Meeting regulating Mobile Home Parks.

They said that when the City discusses rent control of mobile home parks, the City Council should consider including in the legislation language about any existing agreements put in place that nullifies any legislation that gets passed. The caller lives in a mobile home park and said that their experience since she has heard about this meeting on 10/22/18, is that mobile home park owners are trying to get people to sign long-term (25-year) leases for their spaces. The caller believes that these leases are being pushed by owners and management to be signed before residents know about this meeting/possible legislation and are to the mobile home park resident's disadvantage. The resident believes that the ordinance should give the option of voiding any agreements made with an effective date prior to 10/1/18.

10/10/18

Phone call from [REDACTED], Sandev Mobile Home Park

On 10/1/17 his rent increased by \$50 from \$800 (6% increase).

On 10/1/18 his rent increased by \$75 from \$850 (9% increase).

He says that prior to the 2017 rent increases his rent only went up by around \$20-25 annually. He says that the larger new rent increases were a result of new management. He is a fixed income senior citizen who is extremely rent burdened. He says that his only income is \$1700 from social security and that \$1100 of that check goes to his rent and utilities paid to the park (65% of income goes to his housing expenses).

He says that he doesn't see any investment resulting from these higher rents in his MH Park. He is particularly concerned of his safety when walking on the street outside his MH. He needs a walker to safely walk and he says that the pavement is rough and rocky making it very difficult for him to walk.

He also said that he has not yet received the notice that was sent to the onsite manager for distribution on 10/3/18. Kim Anderson spoke with him on 10/9/18 and sent additional flyers for distribution to his neighbors.

Sargent, Maryann

From: Liao, Thomas
Sent: Sunday, October 14, 2018 3:11 PM
To: Sargent, Maryann; Anderson, Kimberly
Subject: Fwd: Mobile Home Park Ordinance
Attachments: John's MHPO.pdf; ATT00001.htm

FYI

Begin forwarded message:

From: GINA MARQUEZ <[REDACTED]>
Date: October 14, 2018 at 8:18:58 AM PDT
To: tliao@ci.san-leandro.ca.us
Cc: "Kay, Jeff" <JKay@sanleandro.org>, "Ballew, Pete" <pballew@sanleandro.org>, "Cutter, Pauline" <pcutter@sanleandro.org>, "Cox, Deborah" <dcox@sanleandro.org>, "Lopez, Corina" <clopez@sanleandro.org>, "Lee, Benny" <blee@sanleandro.org>, "Thomas, Lee" <lthomas@sanleandro.org>, "Hernandez, Ed" <ehernandez@sanleandro.org>, Helena Straughter <[REDACTED]>, "Love, Tonya" <Tonya.Love@asm.ca.gov>, info@robbonta.com, john Busch <[REDACTED]>, Ginny Madsen <[REDACTED]>, Jerome Shafer <[REDACTED]>, Carol Habercoss <[REDACTED]>, Lorri Foster <[REDACTED]>, Lawrence Abbott <[REDACTED]>, Sonya Howes <[REDACTED]>, Don Vieira <[d\[REDACTED\]@sanleandro.org](mailto:d[REDACTED]@sanleandro.org)>, Rob Rich <[REDACTED]>, Silvia Brandon-Pérez <[REDACTED]>
Subject: Mobile Home Park Ordinance

October 14, 2018

Via Email: tliao@ci.san-leandro.ca.us

Thomas Liao, Acting Community Development Director
The City of San Leandro Community Development Department
835 E. 14th Street
San Leandro, Ca. 94577

Re: Mobile Home Park Ordinance

Dear Thomas Liao,

On October 13, 2018, I emailed The San Leandro City Council Members a Mobile Home Park Ordinance because advocates and tenants have been patiently waiting for the implementation of one.

Most recently, Matt Davies has provided, yet again, all tenants harsh rent increases. The San Leandro Times published an article about the apartment tenants at Bayshore Commons effected by rent increases and eviction.

Attached is my proposed ordinance and look forward to the long overdue adoption.

Very Truly Yours,

Gina Marquez

[REDACTED]

Castro Valley, Ca. 94546

Email: [REDACTED]

“I don't think you can address poverty unless you address the lack of affordable housing in the cities.” Matthew Desmond

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From: [REDACTED]
Sent: Wednesday, October 10, 2018 5:16 PM
To: Sargent, Maryann <MSargent@sanleandro.org>
Subject: From Mobil homeowner

Hi Maryann,

This is a message to approve rent control for my mother living in a senior community at mission bay mobile home park. Her social security that she receives every month is not much so all the family members have to contribute for her to have a roof over her head. What do we need to do to vote for rent control for senior community mobile home parks?

Thanks in advance,

[REDACTED]

Sandev Mobile Park

2100 Lewelling Blvd. San Leandro, Ca. 94579 | 510-352-1334 | sandevmobilepark@comcast.net

January 9, 2019

Dear Mayor Cutter and Council Members,

Our family has owned and managed our Sandev Mobile Park since 1962. We have tried to keep a well maintained Mobile Home Park.

We raise the rent once a year, but in the 1980s we did not raise the rent for 3 years because of a bad economy and our residents were having a hard time. We also have a rental assistance program for those who qualify.

We as property owners are against Rent Control.

Rent Control will cost the City of San Leandro a large amount of money for a few people. Other park owners help some of their residents in a hardship program. We make sure that new residents can afford to pay our rent, and older residents have a lower rent. We think that it would be better to have a rental assistance program for residents who really need help. It would be money better spent than the high cost of rent control.

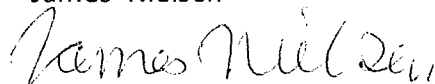
Some of the expenses that go up are maintaining the asphalt roads, increase in insurance, maintaining utility lines like gas, water, electric and sewer lines. We have a recreation hall, swimming pool and landscape areas. Also raises for the managers and higher workers comp insurance and park insurance.

Our father built this Mobile Home Park in 1962. We have gone by the City of San Leandro guidelines when it comes to raising rents. We also feel that we have been fair to offer a hardship program.

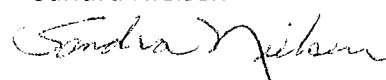
Please feel free to come by and see our Sandev Mobile Park if you are in the area. Thank you for reading our letter against Rent Control in the City of San Leandro.

Sincerely,

James Nielsen



Sandra Nielsen



BAL TRAILER COURT
14831 Bancroft Avenue
San Leandro, CA 94578
Mailing Address:
PO Box 671
La Canada, CA 91012

January 11, 2019

City Council
City of San Leandro

Re: Mobile Home Park Space Rent Regulations


Dear Council Members,

I am the owner of a small mobile home park (Bal Trailer Court) in San Leandro. The park has been in my family for over seven (7) decades, having been founded by my late grandfather after World War II. It is one of the earliest parks in the State of California. My family has always kept the park well maintained and has always charged reasonable and affordable rents. There were many years that my family did not increase rents, and when they did it, it was very minimal, often less than \$10.00 a month.

I have tried to follow in my family's tradition of good maintenance and reasonable rents. I have made several improvements to the park including a new road, electrical upgrades, landscaping, and am now in the process of upgrading space pads as they become vacant. The upgrades and improvements have cost thousands of dollars, of which none of the costs have been passed through to the tenants. I have always been thoughtful of my tenants when increasing their rents, keeping them affordable, but at the same time being able to cover the park's costs. The most I have ever increased the rent was \$35.00. There have been years when I have not increased the rents at all. The last year that there was a rent increase was in June 2017.

I intend to remain a responsible and reasonable landlord. However, with maintenance costs, insurance, taxes, employee wages, and other every day costs increasing, adopting rent control limiting my ability to cover these ever increasing costs, could be very detrimental to the future existence of the park. Rent control would have the potential of reducing what little income I earn from the park. Being retired and a senior citizen with serious health issues, I depend on the park income. If any form of mobile home park rent control were to be adopted by the City of San Leandro, it would be harmful to me and my family. I urge you to consider the ramifications to all parties when discussing mobile home park rent control in the City of San Leandro.

I thank you for taking my thoughts into consideration.

Yours truly,

Sharon Nichols

Sargent, Maryann

From: Anderson, Kimberly
Sent: Monday, January 14, 2019 8:19 AM
To: Liao, Thomas; Sargent, Maryann
Subject: FW: mobile home space

Hi Tom and Maryann,

Kim asked that I forward this to you both.
Kathy

Kimberly Anderson, Housing Specialist
Housing Services, Community Development Department
(510) 577-6004
kimberlyanderson@sanleandro.org

From: Karen Difrummolo <[REDACTED]>
Sent: Thursday, January 10, 2019 7:37 PM
To: Anderson, Kimberly <KAnderson@sanleandro.org>
Subject: mobile home space

Hi Kimberly,

After reading the request for input in the SLtimes about rentals of mobile homes, I'd love to put my 2 cents in.... I am retired and now consider myself a "professional volunteer" As I drive around the various communities, I am disturbed by the growing numbers of homeless folks, some with small children. Just today I heard a segment on KQED about homeless children in Salinas is now 40%. this is unbelievable! Horrible.

-- I fee that we; as human beings have to help our fellow man to get the basics for survival. By giving them a cheaper space to rent ,hopefully will take some of the edge of this crisis. There are many empty lots around the city that should be appropriated for homeless shelters/ low income housing. Affordable; below market value is key. I was appalled when I went to a rent board meeting last year, when a new landlord was raising the rent on a woman in her 80's who had lived in her apartment for 27 years, never once late with the rent. he raised it from \$1,200 month to Market Value \$1950, against the advice from the rent advisory board. This city needs rent control like our neighbors to protect the insecure folks.

Karen Difrummolo

-- Forwarded Message -----

From: cindy walker <[REDACTED]>
To: cindy walker <[REDACTED]>
Sent: Monday, January 14, 2019, 11:18:27 AM PST
Subject: Re: A Mobile Home Park FAIR RENT Ordinance

Dear City Council and Lorri Foster,

Please consider this letter and all attachments my personal concerns with Trailer Haven and the New Owner Corporation. They pretty much forced us to sign 25 year leases and the lease is a 5.5% rent raise Every Single Year! If that continues, I will be homeless in 5 years.

#1) On Two different days, different situations, there was Police activities in the park. I tried both times to EXIT the park, they were NOT ALLOWING ANYONE TO EXIT. THE EMERGENCY EXITS WERE LOCKED AND WERE NEVER UNLOCKED. There was ZERO management around, there was No body from Trailer Haven present to help us during these situations.

#2) The trash situation. Trailer Haven raised our Trash (Before it was always included in the Rent cost). It went from appx 25.00 to +\$42.00 PER HOUSE HOLD. I am single, I only have one bag per week and my boss and company owner said I can bring my trash to work, FOR FREE!!! I tried to stop my trash cost and THEY SAID NO. I ALSO REQUESTED AN EVALUATION ON EACH AND EVERY HOUSE HOLD and charged according to how many persons on in the house, they said NO. Please LOOK AT THE PICS, this OVERFLOWING TRASH ISSUE IS NOT A SINGLE PERSONS ISSUE. This company has allowed these big families with a lot of children to move in, THEY ARE CAUSING FINES AND LEAVING TRASH EVERYWHERE. It was NEVER like this when Bob and Lisa owned the park!!!

#3) The UNATTENDED CHILDREN. EVERYWHERE, ALL THE TIME, very very noisy and VERY rude. I have to continue to honk to get through the streets, they play at my car and leave trash, they set off my alarm with the balls and skooters, THEY ARE PLAYING WITHOUT A PARENT IN SITE, Everytime I try to talk to them or ask them to not play around my car, they say they don't speak English, or they flip me off. I have them almost hit my car, the older kids in the pics are DOING BIKE WHEELIES AND DOING 'TRICKS', THEY CAN'T KEEP UP AND FALL ALMOST HITTING MY CAR. I have talked to them and they don't speak English. Maybe I should call Authorities, I'm worried about their safety(?)..... Child Custody and Safety? These pic are showing Several Children, on different days, all by themselves.

#4) Double Parked cars, EVERYWHERE, they took away our Visitor's parking, THERE IS NOWHERE TO PARK AND THE STREETS LIGHTS ARE OUT UP AND DOWN, so walking through the park GOING OUT TO OUR 'PARKED ON THE STREET' CARS, is very very dangerous and scary.

I have the pics from my dashCam and my home security. The park employee's say they are 'MAKING THIS A FAMILY PARK, A COMMUNITY', it is so far from that, it's HORRIBLE.

They keep raising the rent, to the extreme WITH ZERO IMPROVEMENTS AND ZERO Available Management.

There should be 24/7 Management, the Oakland 'Warehouse' fire comes to mind. The double parking is so bad and the way folks park, along with 'trash' on the streets, makes this park Very Dangerous. All these issues, SHOULD NOT BE AN ISSUE. How did these families and folks move in Trailer Haven the Past 3 years if they can't speak English? and NO, the parents don't speak English, I tried talking to a Father about his son riding his skateboard next to my gas tanks. He Couldn't Understand me!!

I have lived here almost 20 years, and I can say that this is the worse the park have ever been. It's to crowded and to congested in here, they TOOK AWAY OUR VISITOR'S PARKING, TOOK AWAY THE LITTLE PLAY AREA, they allow so many outsiders to dump their crap, that sometimes WE CANNOT PULL INTO THE PARK, MY HOME, OFF THE STREET BECAUSE OF THE CONGESTION AND

DOUBLE PARKING AT THE ENTRANCE!!!!!! Very dangerous. Why should I have to honk to get to my home???

Trailer Haven is responsible for our safety and ALL THESE ISSUES, AND MORE, SHOULD NOT EVEN BE AN ISSUE. We should have harmony and quiet and a clean Park for the Price we pay.

Thank You, City Council, for all your involvement and your help in any or all of these matters.

These pics were all taken in the Past 6 months, they Are Current Pics!

Cindy Walker

On Mon, Jan 14, 2019 at 7:35 AM cindy walker <[REDACTED]> wrote:
Hi Lorri,

I saw your flier and Thank You dear Angel, for helping us Mobile Home owners. I didn't make your first meeting due to work and now I am working 2 jobs and school!! I can't make it tonight either.

I did though, print about 50 pictures of the horrible condition our park is in, Trailer Haven raised our rent again of course. In 5 years at this rate, my space rent will have Doubled in 9 years time. My income has not and will not double.

I would love to stay and live and retire in San Leandro, but I can no longer afford this area. I am almost 61 and afraid I will become homeless living in this park. And it's dangerous!!! Zero improvements in the 3 years the new Corporation took over. I have never seen anything like this in my life and I was Raised in Mobile Home parks across California.

Would you be interested in my pictures and issues, or do I just keep taking it up with the Park owners/Management? And fyi, I have emailed the Corporation several times and the Manager that works and lives in Sacramento, I never get a return call.

This whole thing with the Park is very upsetting, I didn't think I would be living like this in my golden years!!!

Thank you for your concern,

Cindy Walker

[REDACTED]
[San Leandro, CA](#)
[94577](#)

:

Sargent, Maryann

From: Liao, Thomas
Sent: Monday, January 14, 2019 12:44 AM
To: Smith, Thomas Lloyd; Richard Pio Roda; Sargent, Maryann; Anderson, Kimberly; Miguel, Leticia; Hernandez, Caroline
Cc: Kay, Jeff
Subject: Fwd: City Council Work Session on January 14 - Comments

FYI.

Begin forwarded message:

From: [REDACTED]
Date: January 13, 2019 at 9:29:24 PM PST
To: PBallew@sanleandro.org, tliao@sanleandro.org, CityCouncil@sanleandro.org
Subject: **Re: City Council Work Session on January 14 - Comments**

Dear Councilman Ballew, Mayor Cutter. Mr. Liao and Councilmembers Lopez, Hernandez, Aguilar, Cox and Lee -

Your clarification of the date of Monday's Trailer Park Ordinance work session made the last week a busy one for me. Believe it or not, my goal has been to encourage people who live in the San Leandro parks to speak up. I know you don't want to hear from me and am doing what I can to give people the courage to speak to you, so I am doing outreach for the City again.

So glad that letters were sent out to park residents via the Post Office because so many people do not have internet access at home. Surely you know that texting and emailing from one's phone does not lend itself to this kind of communication with the City. Do MaryAnn and her staff have the bandwidth to accept phone calls?

Having seen Tom's presentation when it became available online on Friday, I am grateful that you have put as much time as I have into reading ordinances enacted by Hayward, other California cities and Alameda County as well as the daunting California Mobilehome Residency Law.

I continue to be concerned that you will write an ordinance that protects the people at Mission Bay, but NOT the other 500 families who live in the 8 other smaller parks in town.

Speaking with park tenants has been very educational - just going through the parks is a learning experience - so I am going to make some comments here based on that experience.

- Abandonment is becoming much more common-place; this creates problems for both mobilehome owners, park owners and the City.

The cost of moving a single- or double-wide that has depreciated in value, as well as there not being any place to move it to, means that when tenants can no longer afford space rent, they often just abandon the mobilehome no matter how long, or how much, they paid for it. When an older mobile home is abandoned, there is no in-place transfer - the park owner simply takes it. Sometimes they dismantle or haul it away; but it is cheaper to 'rent' it to someone in 'exchange' for cleaning it up, or to 'sell' it to someone for a few hundred dollars. Rarely are these abandoned homes ever sold according to CA law and registration or ownership is simply ... obscured or 'lost' (as was the case with John Busch).

- RV's MUST be included. I have seen RVs in every park except Mission Bay. More and more spaces are being filled with RVs because (generally younger) people know that the home they invest in HAS to be mobile in order to make their investment worthwhile and this means an RV. All RV residents that I met have good jobs and need to live locally; while they feel that they really are just paying for a place to park, the RV is their PRIMARY and ONLY residence. I talked to people who were paying \$1200 a month for the space where they park their RV and their car.

- Park owners control (bill, allow and withhold) access to basic services, e.g., utilities and sanitation, that make it possible to live in a mobile home. This is what park owners use to push people out. I talked to tenants who have been told that they are no longer allowed to have more than 110 volt service in their mobilehome (meaning that many of their appliances will no longer work).

- Vacancy de-control encourages owners to use whatever means they can to get a tenant out. People will put up with so much to keep a roof over their (and their children's) heads, but retaliation appears alive and well in San Leandro.

People who have been in their mobile homes for 10, 20 and 30 years are afraid. Housing insecurity creates health and emotional issues, it destabilizes lives. The mental health issues so many associate with homelessness are more a result of the lack of home stability than the cause of it.

It is in the community's best interest for City staff to monitor and have a hand in what happens in these parks because of public health and safety issues. Ethical values should carry as much weight as property values.

- A 5% annual rent increase will double the rent in 15 years.
- A 3% cap is still more than the change in cost of living.
- Percentages are more easily understood than CPI.
- Space rents will jump before this ordinance can take effect. The City knows how to do a moratorium, why can't one be done here?
- Debt service pass-through is why recent purchases of parks have created so much homelessness.
- Enforcement of protections for this relatively small subset of San Leandro residents should be achievable by the methods outlined in the presentation and will give the City experience in doing something that needs to be done in San Leandro.

Thank you for reading.
Virginia Madsen

----- Original Message -----

From: "Ballew, Pete" <PBallew@sanleandro.org>

To: [REDACTED] >

Subject: Fwd: City Council Work Session to review proposed policy ideas and options for rental regulations related to mobile home park space leases and solicit public comments.

Date: Thu, 3 Jan 2019 22:30:50 +0000

Hot off the presses. There's the answer to your question.

Please let me know if there's anything you would like me to pay particular attention to doing this work session or anything you would like me to ask staff to address.

Happy New Year!

Pete Ballew, MPA
City Council Member
San Leandro
510-680-0981

Begin forwarded message:

From: "Anderson, Kimberly" <KAnderson@sanleandro.org>

Date: January 3, 2019 at 13:40:26 PST

Subject: City Council Work Session to review proposed policy ideas and options for rental regulations related to mobile home park space leases and solicit public comments.

Dear Interested Parties,

You are receiving this email because you've expressed interest in regulations related to mobile home park space leases. Please see the attached notice, which will also be available below. Please feel free to share this information with friends, neighbors and other interested parties.

Thank you!

Maryann Sargent, Senior Housing Specialist
City of San Leandro Community Development Dept.
835 East 14th St.
San Leandro, CA 94577



January 15, 2019

RE: the proposed Mobile Home Rent Regulation Ordinance

Ms. Sargent,

I am a resident of the Sandev Mobile Home & RV Park located at 2100 Lewelling Blvd in San Leandro, California. Recently I have been made aware that the whole park property is listed for sale at a price of \$ 15 million (see attached listing).

The listing touts the investment features of the property as shown below:

San Leandro Land Parcel

Price	\$15,000,000	Total Lot Size	6.82 AC
Property Type	Land	No. Lots	1
Property Sub-type	Commercial	Zoning Description	RM-1800
Proposed Use	Multifamily	APN / Parcel ID	080G-1098-001-02
Sale Type	Investment		

Listing ID: 13756027

Date Created: 9/11/2018

Last Updated:

1 Lot Available

Lot

Price \$15,000,000 Lot Size 6.82 AC

VMA, Inc. is proud to present this 6.82 AC parcel that is located in San Leandro, Ca with a redevelopment opportunity. The zoning for this parcel is RM-1800 which is designated as Residential Multi-Family District- 24 dwellings per gross acres.

Highlights

- Desirable East Bay Location
- High Density Zoning
- 5 miles from Oakland International Airport

Public Transportation

Oakland International Airport 14 min 5.9 mi

Currently this RV park consists of 72 rental spaces which house 22 manufactured homes and 50 recreational vehicle (trailers, 5th wheels, and motor homes) which serve as the primary residence of mostly low to moderate income residents. The residents rent the land space and most own their own housing units. A handful of the manufactured units are owned by the park and rented out to tenants. Average base rents range from \$ 925 – 1025 per month for each rental space. Utilities of electric, water, garbage and sewer are not included in the base rent but are tacked upon the rents at cost and paid to the owner of the RV park. Estimated monthly gross income of the park is thus \$ 975 * 72 units = \$ 70,200. Yearly gross income is estimated at \$ 70,200 * 12 month = \$ 842, 400. Net income of course must take into account the expense of the current 2 full time managers and park maintenance.

Currently the land use at the park is 10.55 dwelling units per acre (72 units / 6.82 ac). This parcel is zoned for RM-1800 which allows multi-family – 24 dwellings per acre. This would allow 24units * 6.82 ac = 163.7 housing units. It is obvious that if the RV park is sold for \$ 15 million that the new owner will proceed to convert the existing RV use to condos or duplexes or townhouses which could be sold for \$ 500K – 1 million each. At an average of \$750K per unit that would yield \$ 122.78 million gross income less development costs. Even if the current RV rents were doubled then the yearly gross income would only be \$1.68 Million which would hardly enough to justify the \$15 million initial investment cost. **THUS THE ONLY CONCLUSION TO BE DRAWN IS THAT IF THE PARK IS SOLD IT'S USE WILL BE FORTHWITH CONVERTED TO CONDOS, TOWNHOUSES, DUPLEXES, ETC.**

The City of San Leandro Zoning Code for Mobile Home Park Conversions provides some conversion protection for only the 22 manufactured home residents but not for the 50 trailer, 5th wheel and motor home residents. (See Zoning Code>Part 5 -Administration>Article 23-Mobile Home Park Conversions>5-2302 Definitions.) *A. Mobile Home* " is a structure designed for human habitation and for being moved on a street or highway under permit pursuant to Vehicle Code Section 35790. (this pertains only to manufactured homes). *Mobile home does not include a recreational vehicle...* (recreational vehicles are trailers, 5th wheels, and motor homes of which there are 50 in the Sandev park.) Thus, it is recommended that the city zoning code for Mobile Home Park Conversions to be amended to add **Recreational Vehicles used as as a primary residence** in the definition of Mobile Homes (5-2302 Definitions). This will help protect the 50 recreational vehicle residents of Sandev Park who make trailers, 5th wheels and motor homes their primary residence. As there is a vast shortage of recreational vehicle space used as a primary residence at other RV parks in the East Bay this change is of primary importance for these 50 residents at Sandev Park.

Rents at Sandev Mobile Home and RV Park have risen about 5-6% per year over the last few years. If the Sandev park is sold then park rents here will likely increase 40-100% or more pending the conversion of the property to multi-family use without any rent control ordinance in effect as the owners will have the financial incentive to force the residents to move voluntarily.

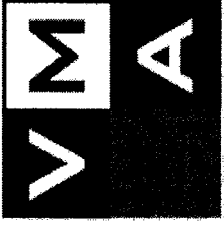
Given the above, I strongly recommend the following:

- That the city zoning code for Mobile Home Park Conversions be amended to add **Recreational Vehicles used as as a primary residence** in the definition of Mobile Homes (5-2302 Definitions). **THIS SHOULD BE DONE IMMEDIATELY.**
- Rent increases be limited to the rate of inflation (CPI) or less
- Just cause for eviction
- Simple local enforcement
- A moritorium on rent increases until the above is passed.
- Most of the residents of Sandev Mobile Home and RV Park have no idea that the park is for sale and the resultant danger they are in from that pending sale. The city should send letters to all 72 unit residents explaining the situation and asking for anonymous input to protect the residents from retaliation. The letters should explain the proposals that the City is making to protect the residents and ask for their input. They could mail back city inquiry forms in self addressed envelopes. Addressing can be as simple as Resident, 2100 Lewelling Blvd Spc 1-72, San Leandro, CA 94579

Sincerely,

An anonymous resident of Sandev Mobile Home and RV Park

As I fear retaliation from the owners/management I am writing this letter anonymously.



Victor Martinez
— (909) 945-8989

Victor Martinez And Associates



John Tundis
— (909) 945-8888

2100 Lewelling Blvd

San Leandro, CA 94579 · 6.82 AC · Land For Sale

\$15,000,000



San Leandro Land Parcel

Price	\$15,000,000	Total Lot Size	6.82 AC
Property Type	Land	No. Lots	1
Property Sub-type	Commercial	Zoning Description	RM-1800
Proposed Use	Multifamily	APN / Parcel ID	080G-1098-001-02
Sale Type	Investment		

Listing ID: 15536627

Date Created: 9/11/2018

Listed On:

1 Lot Available

Lot

Price \$15,000,000 Lot Size 6.82 AC
VMA, Inc. is proud to present this 6.82 AC parcel that is located in San Leandro, Ca with a redevelopment opportunity. The zoning for this parcel is RM-1800 which is designated as Residential Multi-Family District-24 dwellings per gross acres.

Highlights

- Desirable East Bay Location
- High Density Zoning
- 5 miles from Oakland International Airport

Public Transportation

Airport

Drive

Distance

Oakland International Airport

14 min

5.9 mi

Airport

Drive

Distance

San Francisco International Airport

26 min

26.0 mi

San José International Airport

31 min

29.2 mi

Map of 2100 Lewelling Blvd San Leandro, CA 94579



Hide Ma

Sargent, Maryann

From: Karl Hodges [REDACTED] >
Sent: Thursday, January 17, 2019 1:54 PM
To: Sargent, Maryann
Subject: Feed back Proposed mobilehome policies/reg

Greetings Mr. Sargent

I attended the Council meeting of Jan 14 and wanted to make a few observations. I feel that your direction is well considered and fair. I would only add that your municipality saves more than heartaches in this action.

- 1) LA County notes that a 5% hike in apartment unit rental fees puts 2,000 people on the street.
- 2) Causing people to slip in society can have the same measured effect as suddenly reducing their IQ by 12 points (probably through the trauma).
- 3) Perceived inequality within neighborhoods radically increases violent crime

If you stick to your guns on this issue for no other reason than cost, it ought pay off in abundance for San Leandro.

Thank You

Karl Hodges

Sandev Mobile Home Park
2100 Lewelling Blvd.
San Leandro, CA 94579

February 19, 2019

Dear Mayor Cutter and City Council Members,

Sandev Mobile Home Park was built by our father, Harold Nielsen, in 1963. We have been running it since 1977. For the past fifty six years we have been proud small business owners and members of the San Leandro community. These experiences in the community have led us to conclude that the proposed rent control ordinance would negatively impact the City of San Leandro, its residents and Mobile Home Park owners, such as ourselves.

Introducing a rent control ordinance would unnecessarily increase expenses borne by the City of San Leandro and detract attention from other challenges facing our community. Such an ordinance would require the city to assess the current market price of rent in affected residences as a baseline for future rent increases. In addition, we foresee the ordinance would result in additional litigation initiated by Mobile Home Park owners and other affected parties. This seems unfortunate given more pressing issues facing the San Leandro such as rising rates of violent crime and rapidly deteriorating public roads. It's particularly concerning that the city's budget should be allocated to a proposed rent ordinance rather than addressing these other concerns when the existing Rent Review Board Ordinance developed for multi-family apartments would easily be amended to apply to Mobile Home Parks. This amendment would address concerns over rising rents while minimizing city expenses. We have spoken with a number of other Mobile Home Park owners, all of whom would be amenable to submitting to the authority of the existing Rent Review Board.

As long standing members of the San Leandro community we are sensitive to rising rents and a short supply of low income housing, but we believe that this ordinance would in fact make those issues worse. Most Mobile Home Parks in the area generate a modest amount of revenue for their owners. Putting this ordinance in place would disincentivize the use of land in San Leandro for low income housing and lead owners to redevelop the land for more lucrative purposes, such as commercial developments. We were recently in-contract to sell our family business. However, rumors of the rent control ordinance led the deal to fall through. We must now consider redevelopment options for the property and anticipate that other owners looking to sell their properties will explore similar options. The end result of the adoption of this ordinance would be a net reduction in the availability of low income housing in San Leandro.

Owners of Mobile Home Parks in this community are dedicated to providing safe and clean communities but will struggle to do so when this ordinance limits owners' ability to reinvest in capital improvements to their properties. A Mobile Home Park is more than a space for an RV or mobile home, it's a community supported by privately maintained infrastructure. As our park is

aging, we are particularly sensitive to increasing maintenance costs. Our ongoing maintenance of the property supports roads used by our residences, Sandev maintained private utilities as well as a swimming pool, recreational hall and outdoor landscaped areas. All of these services contribute to the happy enjoyment of Sandev by its residents but require continued investment in the property.

We would also like to point out that we believe when introduced the ordinance would not fulfill its legislative intent. We understand that the city council is introducing this ordinance in order to ensure the availability of low income housing to citizens of San Leandro. At any given time, around 40% of our spaces are filled by RVs staying at our park for over nine months on a month to month basis. These tenants are often residents of other states and cities, in San Leandro on a short term basis, working in industries such as construction and the military. Under the current civil code, these residents staying with us over nine months would have the same status as mobile home tenants and would be subject to the proposed rent control ordinance. The proposed ordinance would make short term housing more affordable for transient tenants without increasing the overall supply of affordable housing to residents of the City of San Leandro.

We hope you all have the opportunity to visit all the Mobile Home Parks in San Leandro to get an idea of the diversity of amenities offered by the city's parks and the communities they support. We are happy to facilitate visits with any members of the council at your convenience.

Thank you for your consideration.

Best wishes,
James Nielsen & Sandra Nielsen

February 25, 2019

Dear City Councilmembers:

Brandenburg, Staedler and Moore developed, owns and operates 14 upscale mobilehome communities throughout the Bay Area. We have a blend of four all age communities and ten communities for older persons consisting of approximately 3,500 spaces. We have been in the mobilehome park business since 1968 beginning with the development of our first mobile home community, Adobe Wells, in Sunnyvale, CA. Since that time, our philosophy has always been to provide high quality neighborhood communities that are well maintained and inviting for all Residents who decide to make our communities a place to call home.

We are proud to be a long-term business owner of the Mission Bay Mobilehome Community, which consists of 366 spaces, located in the beautiful City of San Leandro since 1971. Since the opening of our Older Person Community, Mission Bay, we have taken great pride in maintaining and improving our community for all Residents and upholding our standards as a business and a housing provider; as well as maintaining positive relations with our Residents.

Mission Bay is by all means its own mini city within San Leandro. We provide a whole array of amenities such as a large clubhouse with a full kitchen, a main hall for Resident events, a billiard room, swimming pool, spa, laundry facilities, etc. It has always been our focus to provide and maintain these high quality amenities and services for our Residents so they can congregate and meet their neighbors, while having a place to enjoy themselves.

It is also important to recognize that these amenities and the maintenance of such a large community comes at an expense. Brandenburg, Staedler and Moore is not only responsible for the amenities mentioned above, but we are also accountable for maintaining the infrastructure on our grounds such as but not limited to: landscaping, tree maintenance, street repairs/repaving, gas and electrical systems, water supply lines, sewer, etc. As I stated above, we are a mini city. We consistently operate and maintain our community to very high standards and our intention is always to represent ourselves, the City of San Leandro and our Residents in the same way.

We always strive to create a strong relationship with our Residents and the Homeowners Association. We have worked to provide a predictable and stable environment through the implementation of a series of Rent Stabilization Agreements beginning in 1992. In some iterations, the City has collaborated and signed these RSAs. We have viewed Mission Bay and our other communities as a joint venture between BS&M and our Residents as we all have a part in ensuring the viability of these communities. BS&M cares for the infrastructure, the amenities and our the overall aesthetics of the community and the Residents take pride in ensuring their homes are well maintained and have beautiful curb appeal. These common goals allow us to be a bright living option in San Leandro and make us all proud to call Mission Bay a high quality locale for people to call home.

With all of us working in tandem, we have continued to see housing prices in Mission Bay increase throughout the years and sell faster than ever. In addition, we are seeing more new homes being installed and sold to new individuals, who want to be a part of our Mission Bay family.

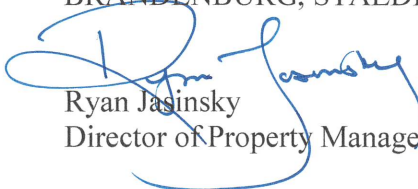
We bring the above items to your attention because Brandenburg, Staedler and Moore believes that rent control is not a viable option for the City of San Leandro. Rent control does not resolve the housing crisis currently facing the city and in fact creates additional financial burdens on the City, the Residents and the park owners. Due to the restrictive limitations of rent control in other cities, we have personally seen the quality of some of the communities decline, as park owners are not able to properly reinvest back into their communities or budget for unforeseeable expenses. Once again, we want to emphasize that these communities are mini cities and the park owners are responsible for all of the infrastructure and amenities. Mobilehome and RV community park owners continue to take great pride in their communities, which is evident through increased reinvestment in the communities when deficiencies arise. These reinvestments provide a cleaner, safer community that all parties benefit from.

We also want to highlight that since the City Council advised the staff to conduct a study on rent control, the Mobilehome and RV Parks owners have been actively working with the city staff to educate them on the industry and have continually opened dialog with the City Council. We have and continue to make ourselves available when there are any questions pertaining to our communities and have extended an open invitation for anyone to come tour our communities with us. This is a true indication that stakeholders are acting in good faith to work directly with the City to find a fair solution to keeping an affordable housing stock in the City.

With all of this information, we believe there is a fair, economical and viable solution currently being utilized by the City of San Leandro and that is the Rent Review Program. This has been successful for the multifamily housing stock in the City and can be successful for the mobilehome and RV communities as well. This will not cost the City, the Residents or the park owners any additional funds and it still gives the protections to the Residents that the City believed was fair when they implemented this program initially. We would also like to propose another alternative option: long-term and short-term leases. Brandenburg, Staedler and Moore has been successful with our Rent Stabilization Agreements with our Residents who continue to believe that this is an optimal approach. We once again request the City Council to not implement a mobilehome rent control ordinance and instead allow the park owners to work with their Residents to find feasible alternatives for all parties.

We thank you for your time and attention and sincerely hope that we can continue to work together to find a fair solution for all.

Sincerely,
BRANDENBURG, STAEDLER & MOORE



Ryan Jasinsky
Director of Property Management

BAYSHORE COMMONS IS A GOOD STEWARD OF AFFORDABLE HOUSING AND GOOD FOR SAN LEANDRO

Dear Council,

As Jeremy Bentham once said, "The sad truth is that it is the greatest happiness of the greatest number that is the measure of right and wrong."

As you are aware, Bayshore Commons is one of your largest providers of non-government subsidized affordable housing in the community. We appreciate your efforts to include us in discussions about a possible rent control ordinance and alternatives.

Rent control is nothing more than a price control. While price controls have a well-deserved place over very short periods during times of emergency in the long run they never work out as intended and create nothing more than market distorting effects and a scarcity of supply. While the currently proposed price controls are not overly draconian, they do in turn lead to a scarcity of supply in the long haul. It simply becomes unprofitable and too onerous to run this type of business, and families, like those at SanDev get out, and there are only developers to purchase.

Over the last 40 years, communities that have targeted mobile home parks for price controls have seen their affordable housing stocks decline markedly. If your goal is to ultimately get rid of this affordable housing source, instead of nurture it, then price controls are the right path. If, however, you want to nurture this valuable resource and help it continue to thrive, other policies must be looked at that balance the needs of all stakeholders. If you are unsure about these conversions, look simply at your immediately surrounding communities. There have been numerous park closures across the county and in turn affordable housing continues to be gobbled up by market rate housing projects. You see this happen at a much faster clip in communities where rent control is adopted. You also see multiple communities in the Bay Area where parks are operated in a transient manner. This means that owners only rent to rv's and only allow them to stay for less than 9 months so that they are not subject to the state law definition of residency and cannot be regulated with rent control.

The bottom line is that rent control is a broad sword that creates winners and losers with multiple unintended consequences. The group of people you are targeting for help today is the exact group who will be harmed by this policy 10 years from now. To further examine these market distortions one must understand the landscape and long term harm of price controls in housing. Case in point, look no further than Malibu and Santa Cruz and their rent control. In Malibu you can rent a space in a park for \$500 but you will have to purchase the mobile home for \$1,000,000. This would be a 1970's home that has a "Blue Book" equivalent value of \$30,000. You see, price controls create scarcity and price distortions. Mobile homes are not financeable like houses. Generally people have to purchase the homes for cash. What is more affordable for the lower income residents of Malibu? Market rate space rents of \$2,000 per month and a \$50,000 mobile home purchase or \$500 rents and a \$1,000,000 cash purchase? Your target market for affordable housing has been priced out and now the rent control becomes an entrenched entitlement for those who do not even need it. The dirty secret is that rent control kills off your overall affordability calculation even more in the long haul. You already have this going on inside San Leandro today. Mission Bay is a perfect example. Their long term lease arrangement has kept their space rent below the economic market rents for the area. As such, those

same 1970's homes are selling for upwards of \$200,000. Is Mission Bay affordable for those you are targeting with this ordinance or are you merely providing price controls for the middle class who do not need them at the expense of those you want to help? I would posit that it would be better policy to have Mission Bay raise their rents from an average of \$1,000 to a probable market of \$1,400 so that more lower income people could afford the housing in this community, instead of the white collar retirees with 401K's and pensions.

John Busch has been a topic and advocate related to this possible legislation and makes our community worthy of a discussion. Bayshore's old owners kept rents severely below market and allowed the place to be run like a modern day ghetto. You, as a council, can see the history of service calls and complaints from the surrounding community. You are also able to see the difference over the last 15 months. As such, displacement has become a major theme, however this trope is overplayed and not factually accurate. Bayshore's RV population has turned over less than market rate apartment housing does. That is a fact that cannot be disputed. While even one displacement is sad, the goals must be weighed across the greater good of the immediate community and surrounding community. For the 30+ RV residents who remain, all are better off with the changes. They are safer and healthier. The residents were owed this fundamental necessity. If you had price controls in place two years ago, this rehabilitation could not have happened and you would most likely be looking at razed land today with apartments rising in short order. What is best for the collective of those in need of affordable housing?

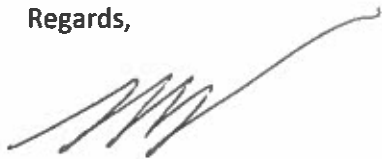
As business owners, we are guided by both a profit and loss statement and an obligation to run our communities responsibly. These goals must happen in tandem in order to stay in business as a manufactured housing community, not only today but 20 years from now. Many of our responses may seem more measured and not tug at your heart strings, however they hold validity and have a long term impact on this precious housing stock you hope to protect. You hear buzzwords like stabilization and fair rates of return. It doesn't exist and when you try to make it exist through even more legislation, the ordinance becomes even more of an albatross for the city to administer. Rent Control laws are costly to administer and always end up eating into the general fund. This is unfair to city taxpayers, especially in light of the major unfunded pension liability.

As drafted today, there are not enough spaces that would be subject to the ordinance to allow the program to be self-funded unless you created a large tax on the mobile home residents which would further impact affordability. My analysis shows the cost to residents of between \$15 and \$40 a month depending on the final count of long term leases in effect. There are immediate problems with rent control and how it relates to affordability and state law. The first item to be looked at is the "Vega Adjustment". The law allows all parks to start out on an even keel and at market rate rents. This Vega adjustment is that mechanism. It is a hearing process that is costly for the city to administer, and generally gets passed along to the residents by the city. Vega adjustments would have a perverse effect of forcing the property owner to go this route and protecting their property value and livelihood. Fair return hearings are also very costly to administer. Further, rent control ordinances continue to be challenged in the courts. Look no farther than the city of El Monte which has spent almost \$1,000,000 administering and defending its ordinance over the past 3 years. The more intensive the rent control the more difficult it is to administer and to do so in a cost effective manner. This ordinance would be an entirely new program within the city and force it to dedicate resources only for its use.

It is a bit worrisome that Mayor Cutter was quoted as saying "It's not a one size fits all issue. I want to make sure we are looking at all the possibilities". Unfortunately, it feels as if staff are only looking at one possibility, rent control. In our discussions with staff we heard that staff needs to be directed to look at other avenues if the council has interest in exploring less financially costly avenues. We would propose a very logical alternative. The existing Rent Review Ordinance is already in place for a majority of the San Leandro housing stock. The most recent staff report paints the program as a smashing success. It has worked and continues to work. The group of mobile home community owners is small and as you have seen, we are very responsive. Adding us to this program would be an incredibly cost effective way for the city to address the concerns it has while looking out for the residents. It makes no sense to us that this program is good enough for everyone else except mobile home park owners and residents. Why not try it for two years and if it's not successful look at other options? Why foreclose the option of a successful cost effective program without trying it?

We would emphatically encourage you to vote against the bad public policy of rent control and instead adopt an ordinance based on a program you already know works. Give it a try and lets work together to solve this problem.

Regards,

A handwritten signature in black ink, appearing to be 'Matthew Davies', written in a cursive style.

Matthew Davies

Bayshore Commons



City of San Leandro

Meeting Date: March 4, 2019

Ordinance

File Number: 19-106

Agenda Section: ACTION ITEMS

Agenda Number:

TO: City Council

FROM: Jeff Kay
City Manager

BY: Tom Liao
Community Development Director

FINANCE REVIEW: Not Applicable

TITLE: ORDINANCE of the City of San Leandro City Council to Add Mobilehome Space Rent Stabilization to the City of San Leandro Municipal Code (An Ordinance that Regulates Space Rents in San Leandro Mobilehome Parks)

The City Council of the City of San Leandro recites the following:

WHEREAS, the State of California recognizes, by the adoption of special legislation regulating tenancies of mobilehome owners in mobilehome parks, that there is a significant difference between homeowners in mobilehome parks and other dwelling units; and

WHEREAS, the State likewise recognizes that homeowners in mobilehome parks, unlike apartment tenants or residents of other rental housing stock, are in the unique position of having made a substantial investment in a residence, the space for which is rented or leased and not owned (*Galland v. County of Clovis* (2001) 24 Cal.4th 1003, 1009); and

WHEREAS, state law defines mobilehomes as a residential structure if they have been in place for nine months or greater (State Law, Chapter 2.5, Cal. Civil Code, Article 1, section 798.3(b)(2) ("The trailer or other recreational vehicle occupies a mobilehome site in the park for nine or more continuous months commencing on or after November 15, 1992").); and

WHEREAS, the City of San Leandro has nine (9) mobile home parks with a total of approximately eight hundred fifty-five (855) spaces located within the City limits. These spaces represent a significant portion of the affordable housing supply within the City; and

WHEREAS, the City of San Leandro General Plan, Chapter 6, Housing Element provides for the following goals and actions:

1. Conservation of Mobile Home Parks. Promote the conservation and rehabilitation of mobile home parks without displacing tenants or reducing the number of affordable units. Mobile home parks should be recognized as an important

affordable housing resource for San Leandro's seniors and low-income households (Policy 56.08).

2. Mobile Home Rent Stabilization. Consider adopting a mobile home rent stabilization ordinance similar to the agreement currently in effect for Mission Bay (Action 56.08-B) (The agreement would apply more broadly to residents of all mobile home parks in the city and help protect the city's existing supply of mobile homes.); and

WHEREAS, it is often difficult to move mobilehomes from one park to another due to the age and condition of some mobilehomes and the limited availability of vacant spaces in mobilehome parks; and

WHEREAS, it is often costly to move a mobilehome and, in many instances, moving a mobilehome requires separation of the mobilehome from its appurtenances, which may create severe damage and depreciation in value to the mobilehome; and

WHEREAS, the U.S. District Court of the Central District of California observed that "the park owners are business people who understand that the operation of a mobilehome park involves an economic relationship in which both park owner and the home owner must make a substantial investment. Indeed, they have encouraged the tenants to make the investment and to expect a return on it." (*Adamson Companies v. County of Malibu*, 854 F.Supp. 1476, 1489 (1994, U.S. Dist. Ct., Central Dist. California).)

NOW THEREFORE, the City Council of the City of San Leandro does **ORDAIN** as follows:

SECTION 1. AMENDMENT OF CODE. Title 4 (Public Welfare), Chapter 4-39 of the San Leandro Municipal Code, entitled "Mobilehome Park Rent Stabilization" and consisting of Article 1, Definitions, and Article 2, General Provisions is hereby created as provided in Exhibit A, which is incorporated herein and made a part hereof.

SECTION 2. SEVERABILITY. If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstance, is for any reason held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases of this Ordinance, or its application to any other person or circumstance. The City Council of the City of San Leandro hereby declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof, irrespective of the fact that any one or more other sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases hereof is declared invalid or unenforceable.

SECTION 3. EFFECTIVE DATE AND PUBLICATION. This ordinance shall take effect thirty (30) days after adoption. The City Clerk is directed to publish the title once and post a complete copy thereof on the City Council Chamber bulletin board for five (5) days prior to adoption.

SECTION 1. Article 1, **Mobilehome Park Rent Stabilization**, is hereby created in [Chapter 4-39, Mobilehome Park Regulations, of Title 4 Public Welfare] of the San Leandro Municipal Code as follows:

TITLE [4] – [PUBLIC WELFARE]
CHAPTER [4-39] – MOBILEHOME SPACE RENT STABILIZATION
ARTICLE [1] – DEFINITIONS

[4-39-100] Short Title.

This Chapter shall be known as the “Mobilehome Space Rent Stabilization Ordinance.”

[4-39-105] Definitions.

For purposes of this Chapter, the following words, terms and phrases shall be defined as follows:

- A. “Affected Mobilehome Owners” means those Mobilehome Owners whose Space Rent is affected by a Rent adjustment made pursuant to this Chapter that is not covered by a valid lease meeting the requirements of California Civil Code section 798.17(b) of the Mobilehome Residency Law, or otherwise legally exempt from local rent stabilization regulation.
- B. “Base Rent” means the Rent in effect for that Space on July 1, 2018, as adjusted in accordance with this Chapter.
- C. “Base Year” means the 2018 calendar year or, if a Fair Return Application subsequently establishes a new Base Rent pursuant to this Chapter, the calendar year preceding the year the application is made for the new Base Rent is established.
- D. “Capital Improvement” means the installation of new improvements and facilities not including ordinary maintenance or repairs or Capital Replacement Costs. Capital Improvements are required to be amortized over the useful life of the improvements pursuant to the provisions of this Chapter and the United States Internal Revenue Code.
- E. “Capital Improvement Costs” means all costs reasonably and necessarily related to the planning, engineering and construction of Capital Improvements and shall include debt service costs, if any, incurred as a direct result of the Capital Improvements. Capital Improvement Costs does not include ordinary maintenance or repairs or Capital Replacement Costs.
- F. “Capital Replacement” means an improvement required to maintain the common facilities and areas of the park in a decent, safe and sanitary condition or to maintain the existing level of park amenities and services. A Capital Replacement is an expenditure as defined by the United States Internal Revenue Code which replaces, upgrades or repairs an existing improvement, such as, but not limited to, an onsite water or electrical distribution or sewage collection system, a street, a parking area, or common facility, such as a laundry, community kitchen or meeting room. If the expenditure qualifies for treatment as a capital expenditure which must be depreciated under the Internal Revenue Code, it is a Capital Replacement. If it can be fully deducted in one year as a business expense, it does not qualify as a Capital Replacement.
- G. “Capital Replacement Costs” means all costs reasonably and necessarily related to the planning, engineering and construction of Capital Replacement and shall include debt service costs, if any, incurred as a direct result of the Capital Replacement. Capital Replacement does not include Capital Improvement Costs.

- H. “Consumer Price Index or CPI” means the monthly data on changes in the prices paid by urban consumers for a representative basket of goods and services. For purposes of this Ordinance, the consumer price index is defined follows: All Urban Consumers, West Region All Items, 1982-1984=100, as published by the United States Bureau of Labor Statistics of the United States Department of Labor.
- I. “Fair Return Application” means an application made to the City that seeks to increase Space Rents beyond the lesser of the CPI or four (4) percent during the most recent twelve-month period ending December of the prior year in order to provide a fair return to the Park Owner.
- J. “Hearing Officer” The City Manager or their designee who conducts a hearing or hearings pursuant to this Ordinance. The minimum qualifications of the Hearing Officer shall be as established by the rent review procedures. A person shall not be appointed as a Hearing Officer if the City Manager or designee determines that the person has an actual or potential conflict of interest in the matter or if such appointment would have the appearance of a conflict of interest in the matter. For example, a person who is a mobilehome owner, a park owner or an immediate family member of a mobilehome owner or park owner shall be ineligible to serve as a Hearing Officer.
- K. “Interest Allowance on Amortized Expenses” means the interest rate on the cost of the amortized expense equal to the “average rate” for 30-year fixed rate home mortgages plus two percent. The “average rate” shall be the rate Freddie Mac last published in its weekly Primary Mortgage Market Survey (“PMMS”) as of the date of the initial submission of the application. In the event that this rate is no longer published, the index which is most comparable to the PMMS index shall be used.
- L. “Legal Expenses” means reasonable attorney’s fees, expert witness’ fees, and legal costs.
- M. “Mobilehome Residency Law” means the California Mobilehome Residency Law codified in California Civil Code Section 798 *et seq.* as now enacted and hereafter amended.
- N. “Mobilehome” has the meaning set forth in Section 798.3 of the Mobilehome Residency Law, which is defined as of the date of enactment of this Chapter as follows:
1. A structure designed for human habitation and for being moved on a street or highway under permit pursuant to 35790 of the Vehicle Code, including a manufactured home, as defined in section 18007 of the Health And Safety Code, and a mobilehome, as defined in section 18008 of the Health And Safety Code, but, except as provided in subsection 2 of this definition, does not include a recreational vehicle, as defined in section 799.29 of the Civil Code and section 18010 of the Health and Safety Code or a commercial coach as defined in section 18001.8 of the Health and Safety Code.
 2. "Mobilehome" for purposes of this Chapter and pursuant to California Civil Code section 798.3(b) “includes trailers and other recreational vehicles of all types defined in section 18010 of the Health and Safety Code, other than motor homes, truck campers, and camping trailers, which are used for human habitation, if the occupancy criteria of either subsection [2a] or [2b] of this definition, as follows, are met:”
 - a. “The trailer or other recreation vehicle occupies a mobilehome site in the park, on November 15, 1992, under a rental agreement with a term of one month or longer, and the trailer or other recreational vehicle occupied a mobilehome site in

the park prior to January 1, 1991.” (Civil Code section 798.3(b)(1))

- b. “The trailer or other recreational vehicle occupies a mobilehome site in the park for nine (9) or more continuous months commencing on or after November 15, 1992.” (Civil Code section 798.3(b)(2))
- O. “Mobilehome Owner” means a person who is the owner of a Mobilehome and legally occupies the Mobilehome within a Mobilehome Park.
- P. “Mobilehome Park” or “Park” has the meaning set forth in Section 798.6 of the Mobilehome Residency Law, which is defined as of the date of enactment of this Chapter as any area of land within the City of San Leandro where two (2) or more mobilehome spaces are rented, or held out for rent, to accommodate mobilehomes used for human habitation.
- Q. “Mobilehome Space” or “Space” is the site within a Mobilehome Park intended, designed or used for the location or accommodation of a Mobilehome and any accessory structures or appurtenances attached thereto or used in conjunction therewith.
- R. “Mobilehome Park Owner” or “Park Owner” means the owner or operator of a mobilehome park or an agent or representative authorized to act on said owner’s or operator’s behalf in connection with the maintenance or operation of such park.
- S. “Party” means any Affected Mobilehome Owner and/or Park Owner involved in proceedings under this Chapter.
- T. “Prospective Mobilehome Owner” means a person who is in the process of negotiating a Space tenancy in a Mobilehome Park.
- U. “Rent” means any consideration, including any bonus, benefit or gratuity demanded or received by a Park Owner for, or in connection with, the use or occupancy of a Mobilehome Space, or in connection with the assignment of a lease, or in connection with subleasing of a Space. Rent shall not include:
 - 1. Utility charges for sub-metered gas and electricity.
 - 2. Charges for water, refuse disposal, sewer service, and/or other services, which are either provided and charged to Mobilehome Owners solely on a cost pass-through basis and/or are regulated by state or local law.
 - 3. Any amount paid for the use and occupancy of a Mobilehome unit (as opposed to amounts paid for the use and occupancy of a Mobilehome Space).
 - 4. Charges for laundry services.
 - 5. Storage charges.
- V. “Rent Increase” means any increase in Base Rent charged by a Mobilehome Park Owner to a Mobilehome Owner or offered to a Prospective Mobilehome Owner.
- W. “Rent Review Officer” means the Community Development Director or designee who shall serve as the Rent Review Officer to administer and enforce the provisions of this Ordinance. The Rent Review Officer shall have the power and duty to receive, investigate, and make findings and decisions regarding petitions for rent adjustment.

- X. “Rent Stabilization Administration Fee” means the fee established by this Ordinance and amended from time to time by resolution of the City Council in accordance with the provisions of this Chapter.
- Y. “Service Reduction” means a decrease or diminution in the basic service level provided by the Park Owner occurring at any time since, January 1, 2019, including but not limited to services the Park Owner is required to provide pursuant to:
 - 1. California Civil Code Sections 1941.1 and 1941.2.
 - 2. The Mobilehome Residency Law, California Civil Code Section 798 *et seq.*
 - 3. The Mobilehome Parks Act, California Health and Safety Code Section 18200 *et seq.*, or
 - 4. An express or implied agreement between the Park Owner and the Space tenant.
- Z. “Special Circumstances Household” means a Mobilehome Owner or anyone else leasing a Space who has the following characteristics at the time of notice or implementation of a Mobilehome Park Owner action prescribed by this Ordinance:
 - 1. Is sixty-two (62) years of age or older; or
 - 2. Qualifies as disabled as defined by Title 42, United States Code section 423 or
 - 3. handicapped as defined by California Health and Safety Code Section 50072; and
 - 4. Has total household income at or below fifty percent (50%) of the Alameda County area median household income as established annually by the U.S. Department of Housing and Urban Development, or closest equivalent if the HUD income limits no longer exist.

SECTION 2. Article 2, **Mobilehome Park Rent Stabilization**, is hereby created in [Chapter 4-39, Mobilehome Park Regulations, of Title 4 Public Welfare] of the San Leandro Municipal Code as follows:

TITLE [4] – [PUBLIC WELFARE]
CHAPTER [4-39] – [MOBILEHOME PARK RENT STABILIZATION PROGRAM]
ARTICLE [2] – [GENERAL PROVISIONS]

[4-39-200] Purpose.

The purpose of this Article is to establish an efficient method for reviewing certain requested Mobilehome Space Rent Increases in Mobilehome Parks to protect Mobilehome Owners from arbitrary, capricious or unreasonable Rent adjustments while enabling Park Owners and/or operators and investors to earn a fair and reasonable return on their investment in their Mobilehome Parks.

[4-39-202] Definitions.

Unless specifically defined in this Article or the context specifically requires otherwise, the terms used herein are defined in Article 1, Definitions, of this Chapter.

[4-39-205] Applicability.

This Article shall be applicable to all Mobilehome Spaces within the City of San Leandro except those specifically exempted by this Chapter or state law.

[4-39-207] Exemptions.

- A. The following exemptions from local Rent regulations are provided by state law:
1. Spaces that are subject to a lease that exempts that Space from Rent regulation pursuant to the Mobilehome Residency Law.¹
 2. New Mobilehome Spaces exempted pursuant to Civil Code section 798.45 of the Mobilehome Residency law.²
 3. Spaces that are not the principal residence of the Mobilehome Owner, and that are exempt pursuant to California Civil Code Section 798.21 of the Mobilehome Residency Law.
- B. This Article shall not apply to Mobilehomes or Mobilehome Parks owned or operated by any governmental agency or any rental unit where Rent is subsidized pursuant to a public program that limits the Rent that can be charged for the Mobilehome.
- C. This Article shall not apply to Mobilehome Parks with fewer than ten (10) Spaces.

[4-39-210] Base Rent.

- A. Base Rent in 2018 for Non-exempt Spaces. Base Rent in 2018 for non-exempt Spaces means the Rent in effect for that Space on July 1, 2018. Except as provided in this Article, a Mobilehome Park Owner shall not demand, accept or retain Rent for a Mobilehome Space exceeding the Base Rent.
1. If a previously rented Mobilehome Space was not rented in the 2018 calendar year, the Park Owner shall not demand, accept, or retain Rent for said Space in an amount exceeding the 90th percentile of all subject Rents in effect at the time the Space is rented. The Park Owner shall provide evidence verifying compliance with the terms of this provision to the Rent Review Officer upon request.
 2. If an existing Mobilehome Space is rented for the first time after the 2018 calendar year, the rent charged by the Park Owner in that year shall be the Base Rent for the Space.
- B. Base Rent Following Expiration of an Exempt Lease. Base Rent for a Mobilehome Space that becomes subject to this Chapter upon the expiration of an exempt lease shall be the Rent in effect under the exempt lease as of the date of its expiration. Mobilehome Space Rents shall be verified by information required on the annual registration application or any

¹ Civil Code section 798.17(a)(1) (“Rental agreements satisfying the criteria for exemption under Civil Code Section 798.17(b) shall be exempt from any city ordinance, rule, regulation, or initiative measure that establishes a maximum amount that a landlord may charge a tenant for rent. The terms of a rental agreement meeting the criteria of subdivision 798.17(b) shall prevail over conflicting provisions of an ordinance, rule, regulation, or initiative measure limiting or restricting rents in mobilehome parks, only during the term of the rental agreement or one or more uninterrupted, continuous extensions thereof. If the rental agreement is not extended and no new rental agreement in excess of 12 months’ duration is entered into, then the last rental rate charged for the space under the previous rental agreement shall be the base rent for purposes of applicable provisions of law concerning rent regulation, if any.”)

² Civil Code sections 798.45 and 798.7 (Newly constructed Mobilehome Spaces initially held out for rent after January 1, 1990 “shall be exempt from any city ordinance, rule, regulation, or initiative measure adopted by any city, county, or city and county, which establishes a maximum amount that a landlord may charge a tenant for rent.”)

other documentation required by the City.

C. Base Rent Following Termination or Permanent Removal. Under either of the following circumstances listed below, a Park Owner shall be permitted to charge a new Base Rent for the Mobilehome Space not to exceed the 90th percentile of all subject rents in effect at the time the Space is rented:

1. The termination of the tenancy of the Affected Mobilehome Owner in accordance with the Mobilehome Residency Law; or
2. The voluntary permanent removal of a Mobilehome by a Mobilehome Owner. A removal of the Mobilehome from the Space for the purpose of performing rehabilitation or Capital Improvements to the Space or for the purpose of upgrading the Mobilehome shall not constitute a voluntary removal of the Mobilehome.

The Park Owner shall provide evidence verifying compliance with the terms of this provision to the Rent Review Officer upon request.

D. Base Rent Following a Fair Return Application. Base Rent shall be the allowable Rent determined as a result of a Fair Return Application.

[4-39-212] Annual Rent Increases.

A. Annual Rent Increase:

1. Starting in 2019, on or after January 1 of each year, a Mobilehome Park Owner may impose a Rent Increase for a Mobilehome Space that shall be equal to the lesser of CPI or four (4) percent of the Rent charged for the Space in the preceding year, except as permitted by this Article in accordance with a CPI Decrease, an In-place Mobilehome transfer, or extraordinary circumstances. Such Rent Increase may be imposed once in any twelve (12) month period.
2. CPI Decrease: In the event that the CPI decreases, no Rent decrease shall be required pursuant to this Section.

B. Notice of Allowable Annual Rent Increase.

1. Calculation of Annual Increase. The allowable annual Rent Increase shall be equal to the lesser of CPI or four (4) percent annually unless the Rent Review Officer or designee elects to set an alternate cap on the annual increase due to a CPI Decrease or extraordinary circumstances.
2. Notice of Annual Increase. If the Rent Review Officer elects to change the amount of the Annual Increase due to a CPI Decrease or extraordinary circumstances, notice shall be: (a) posted by February 15 of each year in City Hall and on the City's website, (b) mailed and/or emailed by the City to each Park Owner and Affected Mobilehome Owner in each Park, and (c) posted by the Park Owner on a notice board in each Mobilehome Park within three business days after it is received by the Park Owner.

C. Compliance with State Law. Rent Increases permitted pursuant to this Section shall not be effective and shall not be demanded, accepted, or retained until the Park Owner has given the notice required by state law.

D. Notice: A written notice of the amount and duration of each Rent Increase or new or increased

Capital Improvement Cost or Capital Replacement Cost pass-through charge made under the provisions of this Section shall be filed by the Park Owner with the Rent Review Officer or designee, and provided to each Affected Mobilehome Owner, at least ninety (90) days before the Rent Increase goes into effect or as required by the Mobilehome Residency Law. The notice shall identify the Park and shall specify the dollar amount of the increase, the percentage of the increase, the duration of the increase, an itemization of all new or increased pass-throughs and additional Rent charges, the specific Space affected, the date the increase will go into effect, how each increase was calculated, and the date the Rent on each affected Space was last increased. The notice shall also advise each Affected Mobilehome Owner of any right to petition for review of a proposed Rent Increase and that a petition form may be requested from the Rent Review Officer or Designee.

[4-39-215] Vacancy Decontrol, Rent Increases and Establishment of New Base Rent.

- A. A Park Owner shall be permitted to charge a new Space Rent for a Mobilehome Space subject to the terms of this chapter whenever a lawful Space vacancy occurs. The new Space Rent shall become the Base Rent upon which future rent increases pursuant to this chapter will be calculated. For the purposes of this chapter, a lawful Space vacancy is defined as any of the following:
1. Voluntary in place transfer, which is a sale, transfer or other conveyance of a mobilehome with the mobilehome remaining on the mobilehome space following the sale, transfer or conveyance. A transfer of title whereby the Mobilehome Owner adds or removes one or more co-owners and continues to reside in the mobilehome as their primary residence shall not constitute an in-place transfer. No increase may be imposed pursuant to this Section when an existing Mobilehome Owner replaces an existing Mobilehome with another Mobilehome, occupying the same Mobilehome Space. No increase may be imposed pursuant to this Section where title to the Mobilehome passes to one or more person(s) who, at the time of the title transfer, (1) was/were also lawful, authorized resident(s) of the mobilehome, or (2) were/are parents, siblings, children, grandchildren, nieces, or nephews of the Mobilehome Owner and the Mobilehome remains in the same Space. A Park Owner may not condition an in-place transfer of a Mobilehome, or condition the assignment of an existing lease to a prospective Mobilehome Owner that is subject to this Ordinance, upon agreement to an increased Rent.
 2. Voluntary removal of a mobilehome by the mobilehome owner who will no longer be a resident of the Park. Removal of the mobilehome from the Space for the purpose of performing rehabilitation or Capital Improvements to the Space or for the purpose of upgrading the mobilehome with a newer mobilehome shall not constitute a voluntary removal of the mobilehome under this section.
 3. A vacancy occurring after the Park Owner obtains a judgment of unlawful detainer (an eviction), a judgment of abandonment for an “abandoned mobilehome” as defined by and pursuant to the Mobilehome Residency Law, or other termination of the tenancy of the Affected Mobilehome Owner in accordance with the Mobilehome Residency Law, California Civil Code Sections 798.55 through 798.60, as amended.
 4. Abandonment of the mobilehome as determined by a judgment of abandonment pursuant to section 798.61 of the Mobilehome Residency Law.
- B. Rent Increases authorized by this Section shall be in addition to any other Rent Increases authorized by this Chapter.

[4-39-217] Fair Return Rent Increases.

- A. Fair Return. A Park Owner has the right to obtain a Rent Increase to maintain net operating income (“MNOI”) equal to the Base Year net operating income adjusted by the percentage increase in the CPI since the Base Year. It shall be presumed this standard provides a fair return. Nothing in this Article shall preclude the Rent Review Officer, or Hearing Officer if on appeal, from granting a Rent Increase that is necessary in order to meet constitutional fair return requirements.
- B. If a Park Owner presents evidence to the Rent Review Officer, or Hearing Officer if on appeal, including any financial records requested by the Rent Review Officer, which proves that the Park Owner is denied a fair return by the provisions of this Article, the Rent Review Officer, or Hearing Officer if on appeal, may authorize an increase in Rent as deemed appropriate by the Rent Review Officer, or Hearing Officer if on appeal, to provide a fair return to the Park Owner. The Rent Review Officer, or Hearing Officer if on appeal, shall use the method set forth in this Article to determine the fair return.

[4-39-220] Method to Determine a Fair Return.

- A. Maintenance of Net Operating Income: It shall be presumed that the net operating income produced by the property during the Base Year provided a fair return. A Park Owner shall be entitled to Rents sufficient to earn a fair and reasonable return and to maintain and increase the Base Year net operating income in accordance with this Section. This method shall be called maintenance of net operating income (“MNOI”) and shall be included in all Fair Return Applications.
- B. Adjustment of Base Year Net Operating Income: The Park Owner or the Affected Mobilehome Owners may apply to the Rent Review Officer to rebut the presumption of fair and reasonable return based upon the Base Year net operating income. To make such a determination and in order to adjust to the Base Year net operating income, the Rent Review Officer, or Hearing Officer on appeal, must make the following findings:
 1. Exceptional Expenses in the Base Year. The Park Owner’s operating expenses in the Base Year were unusually high or low in comparison to other years. In such instances, adjustments may be made in calculating operating expenses so the Base Year operating expenses reflect average expenses for the park over a reasonable period of time. The following factors shall be considered in making such a finding:
 - a. Extraordinary amounts were expended for necessary maintenance and repairs.
 - b. Maintenance and repairs were below accepted standards so as to cause significant deterioration in the quality of services provided.
 - c. Other expenses were unreasonably high or low notwithstanding the application of prudent business practices.
 2. Exceptional Circumstances in the Base Year. The gross income during the Base Year was disproportionately low due to exceptional circumstances. The following factors shall be considered in making such a finding:
 - a. If the gross income during the Base Year was lower than it might have been because some Mobilehome Owners were charged reduced rent.
 - b. If the gross income during the Base Year was significantly lower than normal because of the destruction of the Park and/or temporary eviction for construction or

repairs.

- c. The pattern of rent increases in the years prior to the Base Year and whether those increases reflected increases in the CPI.
- d. Base Year Rents were disproportionately low in comparison to the Base Year Rents of other comparable parks in the City.
- e. Other exceptional circumstances, excluding any comparisons of Base Year Rents to Rents of other comparable parks located outside of the City or to market rents determined from comparable Parks located outside of the City.

C. Calculation of Net Operating Income.

1. Net Operating Income. Net operating income shall be calculated by subtracting operating expenses from gross rental income.
2. Gross Rental Income.
 - a. Gross rental income shall include the following:
 - i. Gross Rents calculated as gross rental income at 100 percent occupancy, adjusted for uncollected Rents due to vacancy and bad debts to the extent such vacancies or bad debts are beyond the control of the Park Owner. Uncollected Space Rents in excess of three percent of gross Space Rent shall be presumed to be uncollectable unless established otherwise and shall not be included in computing gross rental income.
 - ii. All other income or consideration received or receivable in connection with the use or occupancy of the Rental Unit, except as excluded below.
 - b. Gross rental income shall not include the following:
 - i. Utility charges for submetered gas and electricity.
 - ii. Charges for water, refuse disposal, sewer service, and/or other services which are either provided and charged to Mobilehome Owners solely on a cost pass-through basis and/or are regulated by state or local law.
 - iii. Any amount paid for the use and occupancy of a Mobilehome unit (as opposed to amounts paid for the use and occupancy of a Mobilehome Space).
 - iv. Charges for laundry services.
 - v. Storage charges.
 - vi. Rental Income from Spaces exempted from Rent limitation by state law or this Chapter.
3. Operating Expenses.
 - a. Operating expenses shall include the following:
 - i. Reasonable costs of operation and maintenance.

- ii. Management expenses. It shall be presumed that management expenses increase by the percentage increase in Rents or the CPI, whichever is greater, between the Base Year and the prior year unless the level of management services has either increased or decreased significantly between the Base Year and the prior year.
 - iii. Utility costs, except where the consideration of the income associated with the provision of the utility service is regulated by state law and consideration of the costs associated with the provision of the utility service is preempted by state law.
 - iv. Real property taxes attributable to the Base Year or prior year regardless of when actually paid.
 - v. License and registration fees required by law to the extent these expenses are not otherwise paid or reimbursed by Mobilehome Owners.
 - vi. Park Owner-performed labor compensated at reasonable hourly rates. No Park Owner-performed labor shall be included as an operating expense unless the Park Owner submits documentation showing the date, time, and nature of the work performed. There shall be a maximum allowed under this subsection of five percent of gross income unless the Park Owner shows greater services were performed for the benefit of the Mobilehome Owners.
 - vii. Legal Expenses incurred (1) in connection with successful good faith attempts to recover Rents owed, (2) pursuit of rights under or in relationship to this Article, including Legal Expenses incurred in the course of pursuing successful Fair Return Applications, (3) under unlawful detainer actions not in derogation of applicable law and, when incurred in the normal operation of the Park, to the extent such expenses are not recovered from adverse or other parties.
 - viii. Interest Allowance on Amortized Expenses.
- b. Exclusions from Operating Expenses. Operating expenses shall not include the following:
- i. Mortgage principal or interest payments or other debt service costs.
 - ii. Penalties, fees or interest assessed or awarded for violation of any provision of this Chapter or other provisions of law.
 - iii. Land lease expenses.
 - iv. Political contributions and payments to organizations which are substantially devoted to legislative lobbying purposes.
 - v. Depreciation.
 - vi. Expenses for which the Park Owner has been reimbursed by any utility rebate or discount, security deposit, insurance settlement, judgment for damages, settlement or any other method or device.
 - vii. Unreasonable increases that deviate substantially from the historical average

increase in expenses since the base year.

- viii. Expenses associated with the provision of master-metered gas and electricity services.
 - ix. Expenses attributable to unreasonable delays in performing necessary maintenance or repair work or the failure to complete necessary replacements.
 - x. Expenses attributable to a Park-owned Mobilehome, including but not limited to any Mobilehomes rented out by the Park Owner except when provided to a Park manager as a component of employment compensation.
 - xi. Expenses attributable to Spaces exempt from Rent limitations by state law or this Chapter shall be excluded, for the purpose of determining applicable rents for non-exempt spaces, by reducing the total allowed operating expenses by the amount attributable to exempt spaces. This may be done by reducing the total allowed operating expenses by the percentage of operating expenses attributable to the total number of exempt Spaces in the Park, or by another method approved by the Rent Review Officer.
- c. Adjustments of Operating Expenses. Base Year and/or current operating expense items shall be averaged with other expense levels for the same types of items for other years or amortized or adjusted by the CPI or may otherwise be adjusted, in order to establish an expense amount for the item(s) that most reasonably serves the objectives of obtaining a reasonable comparison of Base Year and prior year expenses. Grounds for such adjustments include, but are not limited to:
- i. Either the amount or nature of an expense item for a particular year is not representative.
 - ii. The Base Year expense is not a reasonable projection of average past expenditures for that item in the years immediately preceding or following the base year.
 - iii. The prior year expense is not a reasonable projection of expenditures for that item in recent years or of future expenditures for that item.
 - iv. If a particular item of expense exceeds the normal industry or other comparable standard for the area, the Park Owner shall bear the burden of proving the reasonableness of the expense. To the extent that it is found that the expense is unreasonable it may be adjusted to reflect the normal industry standard.
 - v. A Base Year expense is exceptionally low by industry standards and/or on an inflation adjusted basis is exceptionally low relative to the prior year expense although the level or type of service for which the expense is incurred has not changed significantly.
 - vi. An increase in maintenance or management expenses is disproportionate to the percentage increase in the CPI, while the level of services has not changed significantly and/or is not justified by special circumstances.

D. Constitutionally Required Fair Return: Notwithstanding any other provisions of this Chapter, the Rent Review Officer or Hearing Officer, if on appeal, is authorized to approve any Rent

Increase that is constitutionally required by law to yield a fair return.³

- E. Rent Increase Effective Date: Rent Increases approved by the Rent Review Officer shall be effective on the date given by the applicant in the notice to the Affected Mobilehome Owners required in section 798.30 of the California Civil Code. In the event that the period for determining the allowable Rent Increase exceeds 120 days, the Park Owner may recover a Rent charge retroactive to 120 days after the Fair Return Application is deemed complete. Delays or continuances that are mutually agreed to in writing by all parties concerned, extensions authorized in this Article, and the number of days that lapse between applicant receiving notice of the necessity of replenishing their cost account with the City and paying the required amount pursuant to the fee payment procedure for review of Fair Return Applications, including any costs of expert analysis ordered pursuant to this Article, shall not be counted in determining whether said 120-day period has expired. In order to avoid undue hardship on the Mobilehome Owners affected by the decision, the retroactive Rent charge shall be amortized and paid over a period of five years, unless the Rent Review Officer, or Hearing Officer if on appeal, determines that a different amortization period is more reasonable. Interest may be charged on this amortized Rent.
- F. Per Space Rent Adjustment Pursuant to Fair Return Standard: The allowable Rent Increase per Mobilehome Space pursuant to this Section may not be increased as a result of exempt Spaces in the Park.

[4-39-222] Settlement Proposals.

- A. At least 10 days prior to the date specified when the Rent Review Officer will take under submission a Fair Return, Capital Replacement, or Rent Reduction application filed pursuant to this Article, or 10 days prior to any appeal hearing, the Mobilehome Owner Representative or the Park Owner may submit a written settlement offer to the other party to settle the claims or requests made in the application and to allow a decision or award to be made in accordance with the terms and conditions stated in the offer.
- B. The offer shall include a statement of the terms and conditions that the offering party is willing to accept, and a provision that allows the accepting party to indicate acceptance of the offer by signing a statement that the offer is accepted. At the same time that the offering party submits its offer to the other party, the offering party shall also file a copy of the written settlement offer with the Rent Review Officer, or Hearing Officer if on appeal, in a separately sealed envelope, with a statement on the outside of the envelope identifying the offeror and stating that it is a written settlement offer submitted pursuant to this section. The sealed copy of the written settlement offer that is filed with the Rent Review Officer or Hearing Officer if on appeal shall not be opened until it is either timely accepted by the opposing party or, if it is not timely accepted by the opposing party, after the Rent Review Officer or Hearing Officer, as appropriate, has rendered a final decision on the application or appeal.
- C. Acceptance of the offer must be in writing and shall be signed by the counsel for the accepting party or, if unrepresented by counsel, by the accepting party.
- D. If the offer is accepted, the parties shall notify the Rent Review Officer, and the Hearing Officer if the application is on appeal, and the Rent Review Officer or Hearing Officer, as appropriate, shall enter the accepted offer as the final decision respecting the application or

³ *Fisher v. Berkeley*, 37 Cal. 3d 644, 693 P.2d 261, 209 (The court held that a standard allowing the landlord to recover a reasonable return on investment was sufficient to withstand a facial challenge. The court suggested a Net Operating Income Method would be acceptable, provided landlords' income was not indefinitely frozen at the nominal amount earned in the base year.)

appeal.

- E. If the offer is not accepted within seven calendar days of the offer's receipt by the opposing party, the offer shall be deemed withdrawn and cannot be given in or considered as evidence as part of the Rent Review Officer's or Hearing Officer's decision.
- F. Legal Expenses. If an offer made pursuant to this Section is not accepted and the rejecting party fails to obtain a more favorable award or decision, the rejecting party shall not recover their post-offer Legal Expenses and shall pay the Legal Expenses incurred by the offering party from the time of the offer. If competing offers to settle are timely submitted but have not been timely accepted, the Rent Review Officer or Hearing Officer, as may be appropriate, shall determine which party has failed to obtain a more favorable decision or award and assign responsibility for the payment of legal expenses accordingly.
 1. The Rent Review Officer or Hearing Officer shall mail and email to the parties a notice of assignment of Legal Expense liability ("Legal Expense Notice") within seven days after issuance of a final decision on the application or appeal. Within seven days of receipt of the Legal Expense Notice, each party shall simultaneously serve a written request for the awarding of and an accounting of Legal Expenses on the Rent Review Officer or Hearing Officer and all parties by regular mail and electronic mail. Said requests shall include detailed records of fee billings, time records and supporting declarations executed under penalty of perjury. Within seven days of receiving the requests, opposing parties may file and serve objections in the same manner as service of the original requests. Within seven days after service of the oppositions or within seven days of the deadline for the filing of oppositions, if none is submitted, the Rent Review Officer or Hearing Officer may submit a proposed supplemental decision stating the amount of legal expenses each party is required to pay and the reasons therefor.
 - a. When issued by the Rent Review Officer, said supplemental decision shall become final when issued and shall be appealable separately from the Rent Review Officer's decision pertaining to the merits of the application. The appellate procedures set forth in this Article shall govern an appeal of a Rent Review Officer's decision pertaining to the awarding of Legal Expenses, but an appeal of a Legal Expenses award shall be consolidated with any appeal taken of the Rent Review Officer's final decision pertaining to the merits of the application.
 - b. When issued by the Hearing Officer, said supplemental decision shall become final seven days after the proposed decision, unless either party requests an evidentiary hearing within said seven days in which case a final decision shall be made within seven days after the evidentiary hearing is concluded. The Hearing Officer's decision shall become final upon mailing, with proofs of service, to all parties of the (i) final decision on the merits of the application, or (ii) final decision on the Legal Expenses award, whichever occurs last.
 - c. In their discretion, the Rent Review Officer or the Hearing Officer, as appropriate, may reduce or offset from any Legal Expense award made in favor of the applicant by the amount of legal expenses the applicant may be required to pay.
 2. Any award of Legal Expenses shall be itemized by the Park Owner separately from any Rent Increase or Services Reduction award. Legal Expenses awarded to Park Owners shall be shown as a limited time pass-through charged to the Affected Mobilehome Owners. A Legal Expense award to a Park Owner plus Allowable Interest on Amortized Expenses shall be recovered in equal monthly payments over a five-year period, unless the Rent Review Officer or Hearing Officer determines

that a different period is more appropriate, and shall be eliminated after payment is completed at the end of the amortization period. Legal Expenses awarded to Mobilehome Owners shall be made as either a Rent credit or direct payment to the Mobilehome Owners.

3. In determining whether a party has obtained a more favorable award or decision than that proffered in a written settlement offer not accepted by that party, the Rent Review Officer or Hearing Officer shall rely upon and be guided by legal precedent and authorities construing the same term as it is used in California Code of Civil Procedure Section 998.

- G. The time limits prescribed in this Section may be extended by the Rent Review Officer or the Hearing Officer, as appropriate, upon a showing of good cause.

[4-39-225] Procedures for Review of Rent.

- A. The following matters are subject to review by the Rent Review Officer upon application:

1. Fair Return Rent Increase.
2. Preapproval of a temporary Rent Increase for specified Capital Improvements and Capital Replacements.
3. Rent reduction for Service Reduction.

- B. Limit on Frequency of Applications. Only one application pursuant to this Article may be filed for a Mobilehome Park within any 12-month period, except in the event of extraordinary circumstances that could not reasonably have been foreseen at the time the prior application was filed.

- C. Filing of Application.

1. Applications for Rent adjustments for fair return Rent Increases, temporary Capital Improvements and Capital Replacements Rent Increases, or Rent reductions for Service Reductions shall be on forms prescribed by the Rent Review Officer.
2. The Rent Review Officer may require an application to contain any information as he or she deems relevant, including, but not limited to:
 - a. A list of the names and addresses of all Mobilehome Owners subject to the proposed Rent adjustment.
 - b. A statement of the date the Rent adjustment is proposed to be effective.
 - c. The Rent for each Space in the park in the Base Year, and the three (3) prior years.
 - d. An income and expense statement for the Base Year, and the four (4) prior years.
 - e. Evidence documenting the income and expenses claimed by the Park Owner.
 - f. All other documentation and opinion testimony upon which the Park Owner is relying upon to justify the Rent Increase, or upon which the Mobilehome Owner is relying upon to justify a Rent reduction.

- g. A statement of the applicant's theories in support of the Rent Increase or Rent reduction.
- D. Notice of Application. The applicant and the City shall provide notice of an application as follows:
1. The applicant and City: by sending a hard copy and electronic copy of the application to either (a) each Affected Mobilehome Owner, or (b) the Park Owner, as appropriate;
 2. The applicant: by providing the City with hard and electronic copies of the application.
- E. Determination that Application is Complete. Within sixty [60] days after filing an application, the Rent Review Officer will determine if it is complete. An application will be considered complete only if and when the required fees have been paid. If the application is incomplete, the Rent Review Officer will inform the applicant in writing as to what additional information is required. Within 45 days of the applicant's submittal of requested additional information or fees, the Rent Review Officer shall determine whether the application is complete and notify the applicant of the Rent Review Officer's determination. This process shall continue until the Rent Review Officer issues a written notice advising the applicant that the application is complete. The time period for Rent Increase effective date shall begin running on the date the Rent Review Officer delivers said completeness notice to the applicant.
- F. Access to Application. Applications shall be available upon request for inspection and copying by the public during the City's normal business hours.
- G. Expert Analysis. Upon the receipt of an application authorized by this Article, the Rent Review Officer shall determine if the employment of experts will be necessary for a thorough analysis of the application. The Rent Review Officer may retain a certified public accountant to, among other things, verify the accuracy of the expense and income items stated in the application; an expert in the use and theory of the fair return and MNOI methods utilized in this Article; and/or, a licensed appraiser.
- H. Response by other party. The party not filing the application may submit a written response to the application within 30 days after the application is determined complete, unless the Rent Review Officer determines that there is good cause to extend that deadline. The party filing a written response shall deliver it to the applicant and to the Rent Review Officer.
- I. Decision by Rent Review Officer. Applications filed pursuant to this Article shall be decided by the Rent Review Officer based on substantial evidence and without a hearing or personal appearances by any of the involved parties or their representatives. The decision will be made within 60 days of the date that the application is deemed complete, unless the Rent Review Officer determines that there is good cause to extend that deadline. The Rent Review Officer shall email all involved parties or their representatives the date on which the Rent Review Officer will consider the matter under submission and beyond which the Rent Review Officer will not accept additional information, briefs, evidence or arguments (the "Submission Date"). The Rent Review Officer shall email notice of the Submission Date to all parties or their representatives at least 21 days prior to the Submission Date. The Rent Review Officer's decision on the merits of the application shall be emailed and sent by mail, with proof of mailing, to the Mobilehome Owner, the Park Owner, the Park Owner's and Mobilehome Owners' representatives, and the Mobilehome Owners' Association Representative, if any.

- J. Required Findings in Fair Return Decision: Any Rent adjustment decision pursuant to this Article that approves a fair return rent increase shall include a determination that the Park Owner would be denied a fair return according to the method in this chapter and shall include findings made of the following:
1. Base Year and prior year rental income;
 2. Base Year and prior year operating expenses by category;
 3. Base Year and prior year overall operating expenses;
 4. Base Year and prior year net operating income;
 5. The percentage change in net operating income between the Base Year and the prior year;
 6. The percentage change in the CPI between the Base Year and prior year;
 7. The ratio of the percentage change in net operating income to the percentage change in the CPI between the Base Year and prior year;
 8. The rent adjustment required under the MNOI standard, if applicable to the application.
- K. Conditions for Allowance or Disallowance of Rent Increase: The allowance or disallowance of any proposed Rent Increase (or decrease) or portion thereof may be reasonably conditioned in any manner necessary to effectuate the purposes of this Article.
- L. Representation of Parties:
1. Each party may be represented by any person of its choosing. The representative need not be an attorney.
 2. Written designation of representatives shall be filed with the Rent Review Officer or Hearing Officer.
 3. The written designation of the representative shall include a statement that the representative is authorized to bind the party to any stipulation, decision or other action taken by the Rent Review Officer or Hearing Officer.
- M. Overall Period for Review of Application. Except as otherwise provided in this Article, a decision on an application for Rent adjustment made pursuant to this Article shall be made within 120 days after the application is deemed complete, unless extended by the Rent Review Officer or Hearing Officer for good cause.
- N. Standard of Review. The applicant shall bear the burden of proof, by a preponderance of the evidence, on all issues necessary to the granting of the petitioner's petition, both at the Rent Review Officer and Hearing Officer levels of review.

A. The decision of the Rent Review Officer on an application for Rent Increase for fair return, Capital Improvements, or Capital Replacements, or Rent reduction for Service Reduction may be appealed within 30 days after the date of its mailing. An appeal by the Park Owner shall be signed by the Park Owner or its lawfully authorized agent. An appeal by the Mobilehome Owners must be signed by the Mobilehome Owners residing on twenty-five (25) percent of the Mobilehome Spaces that are subject to the Rent Review Officer's decision. An appeal must be in writing and must be delivered to the opposing parties and the City within the 30-day appeal period. If the Rent Review Officer's decision is not timely appealed, the Rent Review Officer's decision shall become final on the thirty-first day after the decision is mailed. The appealing party shall be required to pay for the costs of the appeal, including those imposed by the Hearing Officer and those established by resolution of the City Council. The appeal shall be conducted through a de novo evidentiary hearing, which shall consider at least the following: the application, all information, expert opinions and arguments submitted by the parties to the Hearing Officer; the opinions of the City's experts; additional arguments or facts upon which the Hearing Officer's decision is based; and the briefs, evidence and testimony accepted or rejected by the Hearing Officer in support of or in opposition to the application by any of the parties to the proceedings.

B. Procedure for Selection of a Hearing Officer.

1. Hearing Officers shall be licensed attorneys of the State Bar of California in good standing, and shall have no financial interest in Mobilehomes, Mobilehome Spaces or Mobilehome Parks and shall not have represented Mobilehome Park Owners or Mobilehome Park Mobilehome Owners in Rent setting cases or Park closings, Park conversions or any disputes between Park Owners and Park residents.
2. A hearing officer shall be selected through the California Office of Administrative Hearings (OAH). In the event OAH is unavailable or unable to provide a hearing officer, the City Manager or designee may elect to contract with another agency, lawyer, or law firm that provides arbitration or hearing officer services or may establish a panel from which the hearing officer is selected in accordance with this Section.
3. In the event a list of hearing officers is established, the City Manager or designee shall make all reasonable efforts to ensure that the list is comprised of at least five qualified candidates. A hearing officer shall disqualify himself or herself from serving as Hearing Officer in a particular matter where he/she has a conflict of interest within the meaning of the Political Reform Act (Government Code Section 87100 *et seq.*), and shall otherwise comply with the disqualification provisions of Canon 3.E. of the Code of Judicial Ethics. The City shall make the initial selection of the Hearing Officer from the panel. The parties to the appeal shall be advised in writing of the selected Hearing Officer, and advised of their right to disqualify the selected Hearing Officer within five days of receipt of the notice of selection. In the event of a disqualification, another Hearing Officer shall be randomly selected from the panel by the City, and a new notice of hearing sent to the parties. Each party shall have the right to disqualify one Hearing Officer for a particular appeal if there are five or fewer hearing officers on the list and may disqualify up to two hearing officers if there are eight or more hearing officers on the list.

C. Time of and Scheduling of Hearing.

1. A hearing on the appeal shall commence within 30 days of the selection of the Hearing Officer unless both parties agree to a different schedule. The hearing shall be completed within 15 days after it is commenced. These time deadlines may be

extended by the Hearing Officer for good cause.

2. The hearing may be scheduled during normal business hours of the City unless a majority of the residents that are subject to the appeal requests that the hearing be scheduled outside of normal City business hours. The hearing shall be scheduled at a time that is convenient for the residents' and Park Owner's representatives.
- D. Presentations by each party at the hearing and of the City staff and experts shall be limited to 30 minutes each unless the Hearing Officer determines good cause exists to extend those time periods. Each party and the City shall be permitted a cumulative total of one hour of cross-examination of the opposing party's expert witnesses, unless the Hearing Officer determines good cause exists to extend those time periods. The City may provide legal counsel to help prepare the City's experts for their presentation at the appeal hearing, to defend the City's expert witness and to cross examine the expert witnesses of the parties.
- E. Notwithstanding anything to the contrary stated herein, whether or not the City decides to appear, submit documents and/or briefs, retain counsel to represent the City, or otherwise participate in the administrative appellate proceedings shall be left to the discretion of the City.
- F. Written notice of the time, date and place of the hearing shall be given at least 21 days prior to the hearing.
- G. Requests for Additional Information Not Previously Provided to the Rent Review Officer by Opposing Party:
1. Either party or the City may request that additional, supporting documentation that was not previously provided to the Rent Review Officer as part of its initial examination and decision be provided to substantiate the claims made by a party. The request shall be presented in writing to the Hearing Officer.
 2. The Hearing Officer may order production of such requested documentation if the Hearing Officer determines the information is relevant to the proceedings.
- H. Responses:
1. Mobilehome Owners or the Park Owner may submit responses to the decision of the Rent Review Officer or to reports by the City's experts. Responses shall be submitted to the other parties and the Hearing Officer at least 10 days prior to the hearing. Responses shall be in printed and electronic form.
 2. Rebuttal reports may be submitted by the Park Owner, Mobilehome Owners, and/or City or its expert(s). Such reports shall be submitted to the parties and Hearing Officer at least five days prior to a hearing. Rebuttals shall be in printed and electronic form.
 3. The parties' responses and rebuttal reports shall be considered the prehearing briefs of the parties and the City and no other prehearing briefs shall be allowed unless requested by the Hearing Officer for good cause.
- I. Conduct of Hearing:
1. The hearing shall be conducted in accordance with such rules and regulations as may be promulgated by the City Council and any rules set forth by the Hearing Officer.

2. The Hearing Officer shall have the power and authority to require and administer oaths or affirmations where appropriate, and to take and hear evidence concerning any matter pending before the Hearing Officer.
 3. The rules of evidence generally applicable in the courts shall not be binding in the hearing. Hearsay evidence and any and all other evidence which the Hearing Officer deems relevant may be admitted and considered.
 4. Any party or such party's representative, designated in writing by the party, may appear at the hearing to offer such documents, oral testimony, written declaration or other evidence as may be relevant to the proceedings.
 5. The Hearing Officer may grant or order not more than two continuances of the hearing for not more than 10 working days each. Additional continuances may be granted only if all parties stipulate in writing or if the Hearing Officer finds that there is a good cause for the continuance. Such continuances may be granted or ordered at the hearing without further written notice to the parties.
 6. A recording of the proceedings shall be made or arranged by the Hearing Officer in a format that is made easily available, upon request, within thirty days of the conclusion of the hearing.
 7. The hearing shall be conducted in a manner that ensures the parties have an opportunity to obtain documents and to obtain information about the theories and facts to be presented by the opposing parties in adequate time in advance of the hearing to enable preparation of their respective cases.
 8. **Deadline for Decision:** Appeals shall be decided by the Hearing Officer within 90 days of the date of the filing of the appeal and payment of all appellate fees, unless extended by the Hearing Officer for good cause or by the Rent Review Officer to accommodate scheduling availability of a Hearing Officer.
 9. **Notice of Decision:** The Rent Review Officer shall mail hardcopies of the hearing officer's decision to the Park Owner and all Affected Mobilehome Owners within 15 calendar days of the City's receipt of the Hearing Officer's written decision. The decision shall be emailed to the Park Owner's and Mobilehome Owners' representatives as soon as possible after the decision is received by the City.
- J. Modification of Decision in the Event of Mathematical or Clerical Inaccuracies: Any party alleging that the Hearing Officer's statement of decision contains mathematical or clerical inaccuracies may so notify the Hearing Officer and the other party within 15 calendar days of the date of mailing of the decision. The Hearing Officer may make corrections and shall file a corrected statement of decision within 10 working days after receiving the request to correct. Alternatively, the Hearing Officer may decline to correct the decision and shall so notify the parties of his/her determination. Upon filing a corrected statement of decision or a determination not to correct the decision, the Hearing Officer's decision shall be final.
- K. Preservation of Record: Written findings made by the final decision maker pursuant to this Section shall be permanently preserved in the City records.

- A. A Park Owner shall be permitted to obtain a temporary Rent increase to reimburse specified Capital Improvements and Capital Replacements pursuant to this Section.
- B. The City Council shall from time to time adopt an amortization schedule for typical Capital Improvements and Capital Replacements subject to the provisions of this Section.
- C. Prior to making a Capital Replacement or Capital Improvement, the Park Owner may file an application with the Rent Review Officer for approval of a temporary Rent Increase to reimburse Capital Improvement Costs or Capital Replacement Costs. Except as provided in Subsection H., a Park Owner who commences and completes a Capital Improvement project prior to obtaining a temporary Rent Increase approval under this Section, shall be deemed to have conclusively waived its right to seek a Rent Increase for that Cost.
- D. Applications for a temporary Rent Increase shall contain at a minimum the following information:
 - 1. A description and cost of the proposed project. The estimated cost of the proposed project shall be reflected in at least two bids or proposals from qualified and licensed (if required by law) contractors, installers and/or builders;
 - 2. Evidence establishing that the project is necessary at the time the Park Owner seeks to implement it;
 - 3. The date(s) upon which the Park Owner proposes to commence and complete the project;
 - 4. The manner by which the Park Owner will notify the City of the commencement of the work to allow the City to monitor construction and ensure, as practicable, that the work is completed consistent with the temporary Rent Increase approval;
 - 5. The period of time during which the Park Owner proposes to amortize the Rent Increase and the rationale therefor;
 - 6. Evidence that the project will be made at a direct cost of not less than \$100.00 per affected Mobilehome Space or at a total direct cost of not less than \$5,000, whichever is lower, or such other amounts as adjusted by resolution of the City Council;
 - 7. Calculation of costs amortized over a period of not less than 36 months, or a different time period if the monthly payment amount will not impose an unreasonable financial burden on the Mobilehome Owners;
 - 8. Evidence that the costs do not include any additional costs incurred for property damage or deterioration that result or have resulted from any unreasonable delay in undertaking or completing any repair or improvement;
 - 9. Evidence that the costs do not include costs incurred to bring the Park, improvement or other property into compliance with a provision of the San Leandro Municipal Code or state law where the original installation of the improvement was not in compliance with code requirements;
 - 10. A representation by the Park Owner stating that at the end of the amortization

period, the allowable monthly Rent will be decreased by any amount it was increased because of a Rent Increase approval granted under this Section; and

11. Evidence that the amortization period is in conformance with any schedule adopted by the City Council, unless it is determined that an alternate period is justified based on the evidence presented during the consideration of the Park Owner's application.
- E. Capital Replacement. Upon receipt of a Capital Replacement application, the Rent Review Officer shall provide notice ("Capital Replacement Notice") of the application to all Affected Mobilehome Owners. The Capital Replacement Notice shall state the proposed Capital Replacement, the amortization schedule including interest for the project, and the resulting temporary Rent Increase proposed. The Rent Review Officer shall email the application and all of its attachments to the Affected Mobilehome Owners. The Park Owner shall post a complete, physical copy of the application and its attachments at a location that is obvious and accessible to all Mobilehome Owners.
1. A temporary Rent Increase for Capital Replacement shall be approved and the protest provisions under subsections 2 and 3 shall not apply if the Park Owner submits evidence with its application that the Park Owner has:
 - a. Consulted with the Affected Mobilehome Owners prior to initiating construction of the Capital Replacement project regarding the nature and purpose of the project and estimated cost; and
 - b. Obtained the prior written consent of an adult household member from at least 50 percent plus one of the Spaces whose Rent would be affected by the requested Capital Replacement temporary Rent Increase. Evidence of such consent must be presented at the time of filing the application with the City. Provided that the above two criteria have been satisfied, the City Manager or their designee shall approve the application as submitted, and shall send notice to the Park Owner and Affected Mobilehome Owners stating that the application has been granted and identifying the amount of the approved temporary Rent Increase. Said decision by the City Manager or their designee shall be final and shall not be appealable.
 2. In the event that one adult household member from at least 50 percent plus one of the affected Mobilehome Spaces protest the application in writing to the Rent Review Officer within 45 days after the date the Rent Review Officer mails or emails the Capital Replacement Notice to the Affected Mobilehome Owners, the City Manager shall determine whether the application is complete, including determining whether all applicable fees have been paid. The City Manager may require additional information if the application is deemed incomplete. Upon determining that the application is complete, the City Manager may retain expert assistance as necessary to review the application, and may require the Park Owner to pay the cost of expert assistance. The complete application shall be reviewed pursuant to this Chapter.
 3. In the event that one adult household member from at least 50 percent plus one of the affected Mobilehome Spaces whose Rent would be increased if the application were approved do not protest the application in writing to the Rent Review Officer within 45 days after the date the Rent Review Officer mails or emails the Capital Replacement Notice to the Affected Mobilehome Owners, the City Manager shall approve the application as submitted, and send a notice to the applicant and the Affected Mobilehome Owners stating that the application has been granted and identifying the amount of the temporary Rent Increase allowed to be charged the Affected Mobilehome Owners. Said decision by the City Manager shall be final and

shall not be appealable.

F. Capital Improvements. A Park Owner shall be entitled to seek a temporary Rent Increase to make a Capital Improvement only if the Park Owner submits evidence with its application that the Park Owner has:

1. Consulted with the Affected Mobilehome Owners prior to initiating construction of the project regarding the nature and purpose of the project and estimated cost;
2. Limited the annual increase in Rent solely attributable to Capital Improvements to less than or equal to four (4) percent of the Rent for Spaces being rented by Special Circumstances Households, such that the total increase in Rent inclusive of approved Capital Improvements is limited to eight (8) percent per year for Special Circumstances Households; and
3. Obtained the prior written consent of an adult household member from at least 50 percent plus one of the Spaces whose Rent would be affected by the requested Capital Improvement temporary Rent Increase. Evidence of such consent must be presented at the time of filing the application with the City.

Provided that the above three criteria have been satisfied, the Rent Review Officer shall approve the application as submitted, and shall send notice to the applicant Park Owner and Affected Mobilehome Owners stating that the application has been granted and identifying the amount of the approved temporary Rent Increase.

G. No temporary Rent Increase granted pursuant to this Section shall become effective until the first full calendar month following the filing by the Park Owner of a notice of completion of the Capital Improvement or Capital Replacement project with the Rent Review Officer, and determination by the City that the work was completed in accordance with the Rent Increase approval. A Rent Increase approved pursuant to this Section shall be itemized separately on the rental billing provided to the Affected Mobilehome Owners and shall terminate upon the conclusion of the approved amortization period.

H. Nothing in this Section shall prevent the Park Owner from making emergency Capital Replacements required as a result of a disaster or other unpredictable event. In such event, the Park Owner may make limited and reasonable Capital Replacements required to protect the public health and safety and to limit further damage to the Park, and to thereafter or simultaneously seek a Rent adjustment for such Capital Replacement pursuant to this section.

[4-39-232] Rent Reduction for Service Reduction.

Rent may be reduced and/or refunded if a Service Reduction results in the reduction in the Mobilehome Owners' enjoyment of their Mobilehomes.

- A. Filing and Processing a Service Reduction Application. A Service Reduction application must be signed by at least one adult Mobilehome Owner from each of twenty-five percent (25%) plus one of the Spaces subject to this Chapter.
- B. If the Rent Review Officer, or Hearing Officer on appeal, finds that a material Service Reduction has occurred, the Rent Review Officer, or Hearing Officer on appeal, shall determine the resultant percentage reduction in the Mobilehome Owners' enjoyment due to the Service Reduction. Rent shall be reduced by that percentage or amount. In addition, the Mobilehome Owners shall be entitled to, and the Rent Review Officer, or Hearing Officer on appeal, shall award a rebate in the amount of the monthly Rent reduction multiplied by the

number of months between the date the Mobilehome Owners notified the Park Owner of the reduction in service and the date the Rent Review Officer, or Hearing Officer on appeal, determined the Rent reduction. Any rebate authorized pursuant to this section may be amortized over a maximum five year period, and bear the Interest Allowance for Amortized Expenses. In the event the Park Owner was not notified of the Service Reduction by the Mobilehome Owners or applicant and the Park Owner did not know nor should have known that the Service Reduction occurred prior to the filing of the application, no rebate shall be awarded. If a preponderance of the evidence proves that the Park Owner knew or should have known of the Service Reduction, a rebate shall be awarded and calculated from the date that the Park Owner knew or should have known of the start of the reduction.

- C. No rebate shall be allowed or authorized if a Service Reduction of a recreational facility or service, and resulting Rent decrease, has the prior written approval signed by at least one adult Mobilehome Owner from each of fifty percent (50%) plus one of the Spaces subject to this Article.
- D. No Service Reduction may include a condition created by the Park management's failure to maintain the physical improvements in the common facilities in good working order, or condition for which the provisions of Civil Code section 798.84 provides a remedy.
- E. No recreational service or facility that has been reduced or eliminated shall be reinstated at any cost to the Mobilehome Owners without prior written approval signed by at least one adult Mobilehome Owner from each of fifty percent (50%) plus one of the Spaces subject to this Article.
- F. In the event that a Service Reduction application is filed while a Fair Return Application is pending, the Rent Review Officer, may require consolidation of applications. The Park Owner, or the Affected Mobilehome Owners may request consolidation of the applications.

[4-39-235] Waivers.

- A. Any waiver or purported waiver by a Mobilehome Owner of rights granted under this Article shall be void as contrary to public policy.
- B. It shall be unlawful for a Park Owner to require or attempt to require as a condition of tenancy in a Mobilehome Park a Mobilehome Owner or a prospective Mobilehome Owner to waive in a lease or rental agreement or in any other agreement the rights granted to a Mobilehome Owner by this Article.
- C. It shall be unlawful for a Park Owner to deny or threaten to deny tenancy in a Mobilehome Park to any person on account of such person's refusal to enter into a lease or rental agreement or any other agreement under which such person would waive the rights granted to a Mobilehome Owner by this Article.

[4-39-237] Rights of Prospective Mobilehome Owners.

- A. Prospective Mobilehome Owners shall be offered the option of renting a Space in a manner that will permit the "Mobilehome-to-be" to receive the benefits of the Mobilehome Park Rent Stabilization Program codified herein, which includes, but is not limited to, rental of a Mobilehome Space on a month-to-month basis. A prospective Mobilehome Owner cannot be denied the option of a tenancy of 12 months or less in duration.
- B. The Park Owner shall provide each prospective Mobilehome Owner with a copy of this Chapter.

- C. Any effort to circumvent the requirements of this Article shall be unlawful.

[4-39-240] Annual registration and other notices required from Park Owner.

- A. Due Date. No later than May 31st of each year, each Park Owner shall file with the City an annual registration statement, on a form prescribed by the Rent Review Officer.
- B. Contents of Registration Form. The registration form shall include, but not be limited to, the name(s), business address(es), and business telephone number(s) of each person or legal entity possessing an Ownership interest in the Park and the nature of such interest; the number of Mobilehome Spaces within the Park; a Rent schedule reflecting the current Space Rents within the Park; a listing of all other charges, including utilities not included in Space Rent, paid by Mobilehome Owners within the Park and the approximate amount of each such charge; the name and address to which all required notices and correspondence may be sent; the name and address of each Mobilehome Owner; the name and address of each person renting a Mobilehome; an identification of those Spaces or Mobilehomes which the Park Owner considers exempt from this Article and a statement of the reasons therefor; a statement of the number of recreational vehicle Spaces in the Park, the names of the RV owners and renters, and the current rent and utilities charged for each space; and other information required by the Rent Review Officer.
- C. Certification of Registration Forms. All registration forms, and any documentation accompanying registration forms, shall contain an affidavit or declaration signed by the Park Owner or a designated agent, with his/her signature notarized, certifying that the information contained therein is true, correct and complete.
- D. Notice of Sale of a Park. Upon the sale or transfer of the Mobilehome Park, the seller or transferor shall notify the Rent Review Officer and all Mobilehome Owners within the Mobilehome Park of the sale or transfer and of the name and address of the buyer or transferee. Within 10 days of the sale or transfer of a Mobilehome Park, the buyer or transferee shall provide a new registration form meeting the requirements of this section and a copy of the statement of the Base Year income, expenses, and net operating income of the Park and supporting documents that the previous Park Owner had provided to them pursuant to subsection E. of this section.
- E. Notice to Prospective Park Purchasers. The Park Owner shall provide prospective Park purchasers with a copy of this Chapter.

[4-39-242] Retaliation Prohibited.

- A. It shall be unlawful for a Park Owner to evict a Mobilehome tenant where the Park Owner's motive in seeking to recover possession of the space is:
 - 1. Retaliation for the Mobilehome Owner's organizing, petitioning for Rent relief, or exercising any right granted under this Article; or
 - 2. Evading or circumventing the purposes of this Article.
- B. It shall be unlawful for a Park Owner to retaliate against a Mobilehome Owner because of the Mobilehome Owner's assertion or exercise of rights under this Article in any manner, including but not limited to:
 - 1. Threatening to bring or bringing an action to recover possession of a space.

2. Engaging in any form of harassment that causes the Mobilehome Owner to quit the premises.
3. Decreasing housing services.
4. Unlawfully increasing Rent.
5. Imposing or increasing a security deposit or other charge payable by the Mobilehome Owner.

[4-39-245] Time of Allowed Rent Increase/Adjustment.

- A. Once within a twelve (12) month period, the Park Owner may implement a CPI Rent adjustment or a Fair return increase, as authorized in this Article, but not both.
- B. A Capital Replacement Cost pass-through authorized by this Article may only be implemented on the effective date of the CPI or Fair return rent adjustment.
- C. The following Rent Increases or adjustments, as authorized by this Article, may be implemented at any time during the year:
 1. Government mandated expense pass-throughs;
 2. Utility pass-throughs;
 3. Capital Improvement Cost pass-throughs;
 4. In-place transfer Rent Increases.
- D. Rent Increases subject to approval by the Rent Review Officer shall be implemented after final determination.
- E. Rent reductions for Service Reductions shall be implemented at the time Service Reductions are ordered.

[4-39-247] Refusal of Mobilehome Owner to Pay Illegal Rent.

It shall be unlawful for a Park Owner to demand, accept, receive, or retain Rent in excess of the amounts authorized by this Article. An Affected Mobilehome Owner may refuse to pay any Rent in excess of the maximum Rent permitted by this Chapter. The fact that such unpaid Rent is in excess of the maximum Rent shall be a defense in any action brought to recover possession of a Mobilehome Space for nonpayment of Rent or to collect the illegal Rent.

[4-39-250] Disclosures.

A Park Owner shall disclose to each prospective Mobilehome Owner the current and proposed Base Rent for the Mobilehome Space, any rental agreement options, provide each prospective Mobilehome Owner a copy of this Chapter, and that if the prospective Mobilehome Owner signs a lease with a term of more than one year, that lease will be exempt from rent stabilization in addition to notice required pursuant to Civil Code section 798.74.5 of the Mobilehome Residency Law. The Park Owner shall give the required disclosure and provide a copy of this Chapter to the prospective Mobilehome Owner at the

time that the Park Owner, or Owner's representative, receives the prospective Mobilehome Owner's application for tenancy. The Park Owner shall obtain a signature of the prospective Mobilehome Owner on the disclosure form acknowledging receipt of the disclosures. The Park Owner shall retain the signed disclosure form throughout the entire tenancy of the Mobilehome Owner. This signed form shall be made available to the Rent Review Officer upon reasonable written notice.

[4-39-252] Prospective Mobilehome Owner; Tenancy Twelve Months or Less.

All prospective Mobilehome Owners shall be offered the option of a tenancy of twelve (12) months or less upon terms consistent with the provisions of this Article. This section shall not apply to prevent a mutually agreed upon assignment between a Park Owner and an existing Mobilehome Owner of an existing lease, provided any such assignment does not violate the provisions in this Article applicable to in-place transfer Rent Increases.

[4-39-255] Rent Stabilization Administration, Fees.

- A. Administrative Regulations: The Rent Review Officer may administratively adopt implementing regulations that are consistent with the provisions and intent of this Article.
- B. Rent Stabilization Administration Fee: All or any portion of the costs to administer this Chapter may be collected by the imposition of an annual rent stabilization administration fee, which shall be established by the City Council. The fee, if any, shall be chargeable against every Mobilehome Space in the City subject to rent stabilization. The Park Owner shall remit payment to the City within 30 days after the end of each calendar quarter, and may pass-through up to one-half of the fee to those Mobilehome Owners subject to the fee as a government mandated expense pass-through. The fee is intended to cover the full cost of administration and the fee assessment amount may be amended from time to time by resolution of the City Council.
- C. Other Fees: The City Council may adopt by resolution additional fees as necessary to reimburse the City for its costs to implement this Chapter, and may allocate specified charges to the respective Parties.

[4-39-257] Amendment.

Any amendment to this Article shall require a prior public hearing before the City Council with notice thereof mailed to all Affected Mobilehome Owners in the City at least ten (10) days prior to the hearing.

SECTION 3. This Ordinance is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) of the CEQA Guidelines based on the finding that the provisions of the Ordinance constitute additional regulation for a process already existing under State law and thus does not have the potential for causing a significant impact to the environment.