

## Chapter 13.21 MOBILE HOME PARK RENT STABILIZATION

### 13.21.010 Title.

This Ordinance may be cited as the Mobile Home Park Rent Stabilization Ordinance of the City of Beaumont.

### 13.21.020 Statement of purpose and findings.

- A. Mobile home owners have a substantial investment in their residences and appurtenances for which space is rented or leased. Alternate sites for relocation of mobile homes are difficult to find due to restrictions of age, size, or style of mobile homes permitted in many parks, and related to the installation of mobile homes, including permits, landscaping and site preparation. Additionally, the cost of moving a mobile home may be substantial, and the risk of damage in moving is significant.
- ~~B. A significant percentage (nearly 11%) of the residential population of the City of Beaumont resides in mobile homes.~~
- BC. Mobile homes are often occupied by senior citizens, persons on fixed income and persons of low or moderate income, where extreme rent adjustments fall upon these individuals with particular harshness. Many mobile home owners have a substantial portion of their net asset worth invested in their mobile homes. The continuing possibility of unreasonable space rental adjustments in mobile home parks threatens to diminish the value of the investment of the mobile home owners in their homes. Further, existing state law permits mobile home park owners to require mobile home owners to make modifications to their homes for reasons of aesthetics or conformity to park standards that amount to capital improvements which would accrue to the benefit of the park owner by potentially increasing the market value of the park itself.
- CD. The result of these conditions is the creation of a captive market of mobile home owners and tenants. This, in turn, contributes to the creation of an imbalance in the bargaining relationship between park owners and mobile home park tenants in favor of the park owners.
- DE. The City Council of the City of Beaumont finds and declares it necessary to facilitate and encourage fair bargaining between mobile home owners and park owners in order to achieve mutually satisfactory agreements regarding space rental rates in mobile home parks (a) to preserve to the residents the value of their mobile homes and (b) to preserve to the park owners the value of their parks. Absent such agreements, the City Council further finds and declares it necessary to protect the owners and residents of mobile homes from unreasonable space rental adjustments

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while simultaneously recognizing and providing for the need of park owners to receive a just and reasonable return on their property.

- EF. The City Council of the City of Beaumont finds that it is the goal of the City's Housing Element to "conserve and improve the condition of the existing stock of affordable housing" in the City, and to ~~encourage~~prohibit conversion of mobile home rental units or mobile home parks to ownership ~~or other uses unless conditions are adopted to~~in a way that maintains existing affordable conditions.
- EG. The City Council of the City of Beaumont finds and declares that Ordinance No. 602, enacted in 1984, and amendments, adding Chapter 13.16 to the Beaumont Municipal Code, entitled Mobile Home Rent Revenue Commission, has been reviewed and evaluated and is found to be inadequate for the needs and purposes of the City as reflected in the above findings and should, therefore, be repealed with the adoption of this Ordinance.
- GH. Administration of this Ordinance shall be under the general direction of the City Manager or their designee.~~Planning Director hereinafter referred to as "Director," with general oversight responsibility vested in the City Manager.~~

#### 13.21.030 Application.

The provisions of this Ordinance shall apply to all mobile home residential rental spaces located within the City of Beaumont unless otherwise exempt from the provisions of this Ordinance by the Mobilehome Residency Law, , as such exemptions are provided for hereinafter ~~in~~ this Ordinance, and by law or by applicable State or Federal law. Nothing in this Ordinance shall be deemed to supersede any provision of California Civil Code Section 798 et seq., and as it may be amended.

#### 13.21.040 Definitions.

In construing the provisions of this Ordinance, the following definitions shall apply:

- A. "Base year" is the calendar year 1995, ~~or the year established by the most recent (prior) hearing before the Arbitrator or Board; or, if necessary, the year established by the Arbitrator or Board in parks that have been sold since 1995.~~
- B. "Capital Improvement" means the installation of new improvements and facilities, and/or the replacement or reconstruction of existing improvements and facilities which consist of more than ordinary maintenance or repairs, with a useful life of at least five years.
- A.C. "City" means the City of Beaumont, California.
- B.D. "Consumer Price Index" or "C. P. I." means the Index known as the "Consumer Price Index for all Urban Consumers for the ~~Los Angeles Anaheim~~

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~~RiversideRiverside-San Bernardino-Ontario Area”, (1982-1984) and thereafter or the index which may replace this index if it is discontinued.~~

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~~C. “Landlord” means any owner, lessor, operator or manager of a mobile home park.~~

~~D.E. “Mobile home” shall have the same meaning as set forth in California Civil Code section 798.3, as may be amended from time to time. means a structure designed for human habitation and for being moved on a street or highway under permit pursuant to Section 35790 of the Vehicle Code. Except as provided in Civil Code Section 798.3, Notwithstanding the above, mobile home does not include “recreational vehicle” as defined in Section 799.29 of the Civil Code or a “commercial coach” as defined in Section 18001.8 of the Health and Safety Code.~~

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~~E.F. “Mobile-home owner” or “resident homeowner” means any person who has a tenancy in a Mobile home Park under a rental agreement, entitled to occupy a mobile home dwelling space pursuant to ownership thereof or a rental or lease agreement with the owner thereof.~~

~~G. “Mobile home park” means any area of land in the City where two or more mobile home sites are rented, or held out for rent, to accommodate mobile homes used for human habitation.~~

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~~E.H. “Mobile home park owner” or “park owner” means the owner, lessor, operator, manager or designated agent thereof of a mobile home park; sometimes referred to as “owner” or “landlord.”~~

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~~I. “Mobilehome Residency Law” means and refers to Chapter 2.5 of the California Civil Code section 798, et seq., as may be amended from time to time.~~

~~G.J. “Mobile home space” or “space” means the site within a mobile home park intended, designed, or used for the location or accommodation of a mobile home and any accessory structures or appurtenances attached thereto or used in conjunction therewith.~~

~~K. H. “Rent adjustments” means any rent increase or decrease demanded of or paid by a tenant, including any reduction in housing services without a corresponding reduction in the monies demanded or paid for rent.~~

~~H.L. I. “Rental agreement” means an agreement between a mobile home park owner and tenant establishing the terms and conditions of a tenancy in a mobile home park. A lease is a rental agreement.~~

~~M. J. “Resident” is a homeowner or other person who lawfully occupies a mobile home in the City.~~

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**L.N.** "Residential rental space" means any mobile home space occupied by any person other than the owner of the park for payment of rent pursuant to an oral or written lease, or other form of rental agreement.

**L.O. K.** "Space rent" means the consideration, including any bonuses, benefits, or gratuities demanded or received for and in connection with the use or occupancy of a mobile home space within a mobile home park, or for housing services provided and security deposits, but exclusive of any amounts paid for the use of the mobile home as a dwelling unit. The use or occupancy of a mobile home space shall include the exercise of all rights and privileges and the use of facilities, services and amenities accruing to the residents thereof. "Space rent" shall not include any separately billed utility fees and charges for natural gas or liquid propane gas, electricity, water, cable television, garbage or refuse service and sewer service.

**L.P. L.** "Tenancy" means the right of a ~~homeowner~~ ~~tenant~~ to the use of a site within a mobile home park ~~a mobile home site within a mobile home park~~ on which to locate, maintain, and occupy a mobile home, site improvements and accessory structures; for human habitation, including the use of the services and facilities of the mobile home park.

**L.Q. M.** "Tenant" means any person entitled to occupy such mobile home space pursuant to an oral or written lease with the owner thereof, or pursuant to some other rental agreement with the owner, lessor, operator or manager thereof.

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### 13.21.050 Exemptions from coverage.

The provisions of this Ordinance shall not apply to the following:

~~A. Newly Constructed Space. Space rent or space rent adjustments for new mobile home spaces whether in parks constructed after January 1, 1990 or spaces rented out for the first time after January 1, 1990 shall be exempt from the provisions of this Ordinance. Civil Code Section 798.45.~~

~~A. Any rental agreement exempt from local rent control regulations pursuant to the Mobilehome Residency Law, as may be amended from time to time.~~

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B. Vacancies.

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1. Subject to the exceptions in paragraphs 2 and 3 below, if the mobile home space or mobile home is (a) voluntarily vacated, abandoned, or repossessed, or (b) vacated pursuant to ~~California Civil Code Sections 798.56 or 798.75~~ the Mobilehome Residency Law, the landlord may adjust the rental rate to an amount as he or she in his or her discretion may determine.

2. ~~Subject to the provisions of Civil Code Section 798.17,~~ If the mobile home is sold in place and is to remain on site, the landlord may only increase the rental rate of the space to the new owner to an amount that is no greater than the

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average of the three highest rentals then currently being charged by the park owner for resident owner-occupied spaces of comparable size, location and amenities in the park.

3. In the event a resident owner must move from his or her mobile home because of a need for long term medical or custodial care, the space shall remain subject to this Ordinance during the time that the owner is absent and remains incapacitated. In those parks that allow subletting, the absent and incapacitated owner may sublet the mobile home for a charge not to exceed the space rent and utilities and all legally allowable pass thorough costs for a period of time not to exceed 24 months without removing the space from the protection of this Ordinance.

~~C. Space Rent Agreement Exemption. Any rental agreement in excess of 12 months duration which also meets all criteria specified by Section 798.15 and Section 798.17 of the California Civil Code, including, but not limited to, the tenant notification requirement within the first paragraph of such rental agreements, shall be exempt from the space rent ceiling provisions of this Ordinance, but only during the term of such rental agreement or any uninterrupted, continuous extensions thereof. If such rental agreement is not extended and no new rental agreement in excess of 12 months duration is entered into, then the last month's rent under the expired rental agreement shall be the base rent for purposes of this Ordinance. Any rental agreement exempt from this Ordinance by virtue of this subsection shall remain so exempt despite voluntary amendments made thereto, as long as any amendments extending the term contain the disclosures required by Section 798.17 of the California Civil Code.~~

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~~but only during the term of such rental agreement or any uninterrupted, continuous extensions thereof. If such rental agreement is not extended and no new rental agreement in excess of 12 months duration is entered into, then the last month's rent under the expired rental agreement shall be the base rent for purposes of this Ordinance.~~

~~D. Lease Agreement Exemption. Section 7 of this Ordinance does not apply to any residential rental space for the rental of which the mobile home park owner and the tenants have mutually agreed to enter into a lease which conforms to the provisions of California Civil Code Section 798.15 et seq.~~

~~E. Tenant Approval. This Ordinance does not apply if two-thirds of all mobile homes affected by the rent increase or other action give their approval in writing as evidenced by the signature of one tenant for each space or in an election called to consider the matter with each space casting one vote. The park owner shall supply proof of such approval to the Director for verification.~~

CF. Violation. No person shall perform any act of duress, menace, or undue influence with the intent of thereby obtaining the consent of any other person to enter into any lease for the occupancy of a residential rental space in a mobile home park ~~or to otherwise force compliance with an applicable exemption from this Ordinance.~~

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**13.21.060 Information Upon Request.**  
~~13.21.060 Registration and fees.~~

A mobile home park owner shall provide the following information to the City upon request: the number of mobile home rental spaces within the park, the space rent charged for each space, and the number of spaces currently exempt from this Chapter.

~~A. Within 90 calendar days after the effective date of this Ordinance, mobile home park owners are required to register all mobile home parks and mobile home rental spaces within such parks with the Director. The initial registration shall include: the name(s), business address(es), 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 mobile home rental spaces within the park; the space rent charged for each space during the base year; and the number of spaces currently exempt under Civil Code Sections 798.17 and 798.45. The Director is hereby empowered to establish procedures for requiring such re-registration as he or she deems necessary.~~

~~B. After initial registration and on an annual basis, if needed thereafter, each space in the park then subject to the provisions of this Ordinance and not otherwise exempt under provisions in the Mobile Home Residency Law, i.e., Civil Code Sections 798.17 [or such other amount as the City Council may establish] and 798.45, may be assessed a fee of up to \$12 per space per year to cover the anticipated costs of administering this Ordinance. The fee shall be collected by the park owner who shall promptly remit all of the per space fee collected except \$1.00 per space to the Director who shall use the monies so received to cover the costs of administering this Ordinance. The park owner shall be entitled to retain \$1.00 of the fee amount collected to cover the park owner's expenses in complying with this Ordinance.~~

~~C. No park owner shall be eligible to receive any rent ceiling adjustment as provided for under the provisions of this Ordinance unless such current registration information as may then be required for the mobile home park is on file with the Director at the time the petition for the rent ceiling adjustment is filed. The registration and re-registration requirements provided for in this section, or which may be hereafter established by the City Council, shall apply to all mobile home parks including those exempt from the space rent ceiling limitation by reason of the existence of a valid space rent agreement. Registration shall not apply to parks that were constructed in 1990 or later.~~

**13.21.070 Space rent ceiling or maximum allowable space rent.**

Beginning the first month which commences following the day after the effective date of this Ordinance, no mobile home park owner shall charge space rent for any mobile home space in an amount greater than (a) the space rent in effect on December 31, 1995 increased by the increase

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in the CPI since that date or (b) the rent for the space that is in effect on the effective date of this Ordinance. The space rent in effect on that date shall be known as the "space rent ceiling."

If there was no space rent in effect on December 31, 1995, the space rent ceiling shall be the space rent that was charged on the first date that space rent was charged after December 31, 1995 (with the exception above noted) adjusted by the CPI to the current date as indicated above or the rent for the space that is in effect on the effective date of this Ordinance. If a mobile home park space is exempted from the application of this Ordinance by reason of the existence of a space rent agreement and the agreement expires, the space rent ceiling for that space shall be the space rent in effect on the date the agreement expires.

**13.21.080 Space rent ceiling adjustment—Initial adjustment.**

- A. No adjustment in space rent ceilings shall be permitted except as provided for herein.
- B. Permissive Adjustment. A park owner shall be entitled to an initial permissive adjustment gross space rental income equal to 100 percent increase in the Consumer Price Index (CPI) from the end of the base year (1991) to the date of application for the adjustment. The percentage adjustment in the CPI shall be calculated by subtracting the CPI reported for December, 1995, from the most recently reported monthly CPI preceding the application and then dividing this remainder by the December, 1995, CPI.

**13.21.090 Space rent ceiling adjustment—Annual adjustments.**

Commencing in calendar year 1996, park owners shall be entitled to the following annual adjustments.

A. Permissive Annual Adjustment.

A park owner shall be entitled to one annual permissive adjustment of gross space rental income equal to 100 percent of the percentage adjustment in the CPI for that year, but in no case more than 7% per year or less than 3% per year. A park owner shall not impose more than one (1) rent increase for a covered residential rental space in any 12-month period, calculated from the date the rent increase takes effect, unless otherwise permitted pursuant to this Ordinance. ~~from the date of the most recent initial or annual adjustment to the date of application for the proposed adjustment.~~ No application or permission is required for the annual CPI adjustment under this section.

B. Net Operating Income (NOI) Adjustment.

1. In the event a park owner believes he or she does not receive a just and reasonable return on park property after receiving the maximum permissive CPI adjustment provided for above, the park owner may, upon payment of all filing or other fees, as hereinafter provided, required, file a petition with the Director

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Administrative Appeals Board for an adjustment of the space rent ceiling, providing adequate justification for the proposed increase.

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~~(a) Upon the filing by a park owner of a petition for hardship rent increase, the Director shall request a deposit from the petitioner who shall pay 50 percent of the anticipated cost of the proceedings. Any final decision of the Arbitrator or Mobile Home Board (or final decision of a Hearing Officer if not appealed to the City Council) shall contain an estimate of the total expenses of the Hearing process. The petitioner shall be obligated to pay, as a fee, one half of the total cost of said hearing process (less the deposit). Any hardship rent increase may be conditioned upon the payment of said fee. In the event that the deposit exceeds one half of the expense of the hearing process, the petitioner will be entitled to a refund of that difference.~~

~~If the City shall establish forms for such a petition, the petition shall be prepared and submitted using such a form. In the absence of such designated form, such~~

~~2. In addition to any other applicable information required by the Administrative Appeals Board, any such petition shall be in writing verified by the applicant, and shall contain the names, address and telephone number of the applicant, the name and address of the tenant of each rental space which would be affected if the petition were granted, a statement of the facts giving rise to the petition for an NOI adjustment in sufficient detail that, if established, such facts would demonstrate the existence of a decrease in the NOI warranting such NOI adjustment.~~

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~~3. Within 30 working days after the petition has been submitted to the Director-Administrative Appeals Board for filing, petitioner shall be given notice of the time and place of the hearing, which notice together with a copy of the petition shall be served upon or mailed to each tenant of a rental space which would be affected by the NOI adjustment, if granted. When a declaration of service has been submitted to the Director, Administrative Appeals Board, the petition for an NOI adjustment shall be deemed filed.~~

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~~4. Upon filing of a complete petition, and presentation of sufficient facts demonstrating the existence of a decrease in the NOI warranting such NOI adjustment, a park owner shall be entitled to an adjustment of the space rent ceiling so as to enable the park owner's net operating income (NOI) for the subsequent year to be increased by a rate which, when added to the maximum permissible CPI adjustment provided for above will give the park owner a just and reasonable return on park property. In determining whether the current NOI is adequate in comparison with the base year NOI, the NOI for the park earned in the base year shall be increased by the amount of the CPI increase from the base year to the date of the proposed rental increase.~~

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~~C. 5. During the hearing, any tenant which would be affected if the petition is granted shall be permitted to be heard and to present any evidence for or against the proposed NOI adjustment.~~

~~6. No annual adjustment shall become effective if a previous annual adjustment became effective within the previous 12 months unless approved by the Administrative Appeals Board Arbitrator.~~

C.D. Rent Increase Based upon Capital Improvements.

~~1. A park owner shall be permitted to increase rent for a capital improvement upon petition to the Administrative Appeals Board where:~~

~~(a) the improvement has been agreed upon between the park owner, and by more than 50 percent of the owners of all mobile homes affected by the improvement in an election called to consider the matter with each space casting one vote by written ballot; or~~

~~(b) the improvement is required (a) to maintain the common facilities and other areas of the park in a safe and sanitary condition (b) to maintain the existing level of park amenities and services, or (c) to comply with the law or an administrative regulation. No vote of mobile home owners shall be required for approval under this provision.~~

~~2. Capital improvement costs for items which are not necessary or approved as described above in paragraph 1, shall be allowable rent increases only upon petition to the Administrative Appeals Board which establishes that the park owner has (a) consulted with the park residents to be affected prior to initiating construction of such improvements, regarding the nature and purpose of such improvements and the estimated cost of such improvements, and (b) demonstrated the need for the improvements and the reasonableness of the anticipated costs.~~

~~3. The petition for the cost of a completed capital improvement or the estimated cost of a proposed capital improvement under this section shall be filed by the park owner with the Administrative Appeals Board, including payment of filing or other fees, and shall contain:~~

~~(a) A description of the capital improvement;~~

~~(b) A copy of all estimates, contracts, bills, invoices, canceled checks and other documentation reasonably necessary to establish the cost of the capital improvement and the reasonable cost of financing the capital improvement. If, instead of borrowing the money to make the capital improvement, the park owner uses his or her own funds,~~

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~~the reasonable cost of financing which will be allowed shall be the average federal prime rate charged for the three months preceding the start of construction of the capital improvement; and~~

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~~(c) If the capital improvement has been agreed upon between the park owner and by more than 50 percent of the owners of all mobile homes affected by the improvement, proof of that fact will be submitted with the application.~~

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~~An application for a rent increase based on the cost of a proposed or completed capital improvement may be filed by the park owner with the Director pursuant to this subsection. For the purposes of this subsection "Capital Improvement" is defined as the installation of new improvements and facilities, and/or the replacement or reconstruction of existing improvements and facilities which consist of more than ordinary maintenance or repairs, with a useful life of at least five years.~~

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~~1. A capital improvement shall be approved by the Arbitrator where the improvement has been agreed upon between the park owner, and by more than 50 percent of the owners of all mobile homes affected by the improvement in an election called to consider the matter with each space casting one vote. A capital improvement shall be approved if the improvement is required (a) to maintain the common facilities and other areas of the park in a safe and sanitary condition (b) to maintain the existing level of park amenities and services, or (c) to comply with the law or an administrative regulation. No vote of mobile home owners shall be required for approval under this provision.~~

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~~2. Capital improvement costs for items which are not necessary or approved as described above, in paragraphs 1 and 2, shall be allowable rent increases only if the park owner has (a) consulted with the park residents to be affected prior to initiating construction of such improvements, regarding the nature and purpose of such improvements and the estimated cost of such improvements, and (b) demonstrated the need for the improvements and the reasonableness of the anticipated costs.~~

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~~4. 3. Capital improvement rent increases shall be amortized over the useful life of the improvement as set forth in Internal Revenue "class life" tables then in effect, unless the Administrative Appeals Board, in its discretion Arbitrator at its discretion, determines that the use of such tables is unreasonable under the circumstances.~~

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~~4.5. In addition to the reasonable cost of the improvement(s) and the reasonable costs of financing, the rent increase shall include a return of two percent over the federal prime rate at Bank of America in effect at the time the rent~~

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increase is approved calculated annually on the unamortized cost improvement.

~~6.~~ ~~6.~~—In the event the need for the capital improvement is a result of an accident, disaster, or other event for which the park owner receives insurance benefits, only those capital improvement costs which exceed such insurance benefits may be amortized as operating expenses unless the uncovered loss or portion thereof is a result of an underinsured or uninsured loss in which event the underinsured or uninsured portion is disallowed unless prudent business practices would not require it to be ~~insured.~~~~ensued.~~

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~~7.~~ ~~7.~~—Capital improvement rent increases shall be apportioned equally among all spaces in the mobile home park affected thereby and shall be payable monthly, and shall be set forth by the park owner as a separate item from the space rent. The increase shall remain in effect until the cost of the improvement, plus reasonable costs of financing as set forth above, have been fully recovered.

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~~8.~~ ~~The application for the cost of a completed capital improvement or the estimated cost of a proposed capital improvement shall contain:~~

~~(a)~~ ~~A description of the capital improvement;~~

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~~(b)~~ ~~A copy of all estimates, contracts, bills, invoices, canceled checks and other documentation reasonably necessary to establish the cost of the capital improvement and the reasonable cost of financing the capital improvement. If, instead of borrowing the money to make the capital improvement, the park owner uses his or her own funds, the reasonable cost of financing which will be allowed shall be the average prime rate charged by the Bank of America for the three months preceding the start of construction of the capital improvement; and~~

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~~(c)~~ ~~If the capital improvement has been agreed upon between the park owner and by more than 50 percent of the owners of all mobile homes affected by the improvement, proof of that fact will be submitted with the application.~~

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~~9.~~ ~~A petition by tenants, as allowed by Section 13.21.120, will be limited to challenging the special increase for a capital improvement only on the basis that it does not meet the criteria established by Section 13.21.090.D of this Ordinance.~~

~~8.~~ ~~10.~~—The ~~Hearing Officer or Arbitrator~~Administrative Appeals Board may, in its discretion, approve the capital improvement without the necessity of a hearing, as provided for in this Ordinance.

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~~9. 11. —No rent increase for a proposed capital improvement may be collected until the park owner provides proof to the Director that the improvement has been completed. The capital improvement shall be deemed completed upon satisfactory final inspection by the City of any approved plans, permitted construction work or permit issued.~~

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### 13.21.100 Required certification on rental adjustment notice.

The ~~Arbitrator~~ Administrative Appeals Board shall have the right to deny any rent adjustment under this Ordinance if the owner:

~~A. —Has failed to comply with any provisions of this Ordinance and/or regulations issued there under by the Director or the City Council.~~

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### 13.21.110 [RESERVED].

#### ~~13.21.110 Petition by tenant.~~

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~~A. —Any tenant of a mobile home rental space affected by this Ordinance, upon payment of a filing fee of \$1.00 and joined by at least 30 percent of the other tenants similarly affected (each of whom pays \$1.00 per space), may petition for a determination whether a proposed or actual action by the landlord affecting such tenant(s) is within the terms of this Ordinance. If the City shall establish forms for such petitions, the petition shall be prepared and submitted upon such form. In the absence of such designated form, the petition shall contain the name, address and telephone number, if known, of the landlord, owner, manager, or other person authorized to represent the owner of the mobile home park, a brief statement of the facts giving rise to the petition and a statement that a copy of the petition has been personally served or mailed to the owner, manager or other person authorized to accept and receive notices to the landlord.~~

~~B. —The petition shall also include the name, address, and telephone number of the designated representative of the petitioner(s) to whom notices and other communications respecting the petition are to be transmitted.~~

~~C. —In the event a petition by a tenant(s) results in a downward adjustment in the space rent, the park owner shall not be obligated to adjust any rent except the rent of those tenant(s) who signed the petition and paid the established filing fee.~~

~~D. —A petition must be filed within 60 days of notice being given by the park owner or within 90 days of the action actually taken by the park owner when no written notice preceded the action.~~

~~E. —In the event the petitioner or petitioners are claiming that a net operating income rental increase otherwise allowed by Section 13.21.090B above should be disallowed in whole or in part because of conditions of deteriorating maintenance~~

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the petitioner(s) shall specify the conditions of deteriorating maintenance in their petition with the specificity required by Civil Code Section 798.84(b).

- F. ~~Upon receipt of the petition, the Director shall determine whether or not the petition contains the minimum number of signatures required. Thereafter, the Director shall notify, in writing, the park owner and the residents of the results of his/her determination.~~
- G. ~~The Director shall in a timely manner assign a Hearing Officer who shall conduct an informal hearing in an attempt to resolve the matter. In making his/her recommendation(s), the Hearing Officer may consider all relevant factors including those listed in this Ordinance.~~
- H. ~~The Hearing Officer shall, if he/she finds it practical to do so, hold the informal hearing at the mobile home park. In any event, the Hearing Officer shall use all reasonable efforts to hold the hearing at a location which is convenient for the residents of the park.~~
- I. ~~The hearing may be attended by no more than two representatives from the affected tenants and two representatives from the park owner. Attorneys shall not be present at the informal hearing(s) unless agreed to in writing, by both sides except in a case where the park owner or petitioning tenant(s) is an attorney in which case the other party may be accompanied by its own attorney.~~
- J. ~~Either side may submit written, photographic or other type of documentary evidence to support their contentions, but is not required to do so.~~
- K. ~~The Director shall set time lines by which the informal hearing process must be concluded and shall take all appropriate steps to see that the informal hearing process is conducted in a manner that respects the rights of both sides.~~
- L. ~~The Hearing Officer shall serve, by his/her final recommendations in written form to both sides and to the Director.~~
- M. ~~Any agreements reached by the parties shall be reduced to writing and be signed by them and the Hearing Officer.~~
- N. ~~No statement(s) made by a party in the informal hearing process may be introduced into evidence or presented before the Arbitrator unless agreed to by the party making the statement.~~

**13.21.120 [RESERVED].**

**13.21.120 Petition by landlord.**

Any landlord of a mobile home park affected by this Ordinance may, upon payment of a filing fee of \$1.00 per space affected under this Ordinance, petition for a determination whether a

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~~particular course of action by said landlord is allowable, valid and in conformity with this Ordinance. The Director may designate forms for the filing of such petitions. In the event that no such form has been designated, the petition shall be in writing, and shall contain the name, address and telephone number, if any, of the person requesting the interpretation or opinion, the name and address of each tenant of a rental space owned or managed by the person requesting the interpretation or opinion, if it is intended that such interpretation or opinion affects such rental space, a brief statement of the facts giving rise to the request for interpretation or opinion, and a statement that a copy of such petition has been personally served upon or mailed to each such tenant who might be affected thereby.~~

~~The Hearing Officer procedures specified in Section 13.21.110G—N inclusive of this Ordinance shall be used for the initial consideration of the landlord's petition.~~

~~**13.21.130 [RESERVED].**~~

~~**13.21.130 Appeal to Arbitrator.**~~

~~Any party to a hearing conducted by a Hearing Officer shall be entitled to appeal the decision of the Hearing Officer to the Arbitrator.~~

~~**13.21.140 [RESERVED].**~~

~~**13.21.140 Arbitration.**~~

~~A. — If a majority of the petitioning parties or the park owner wish to proceed to arbitration they shall, within 20 days of the date of service of the written notification of the Hearing Officer's final recommendation, notify the Director in writing of their decision to proceed to arbitration.~~

~~B. — Within 30 days of notice of the filing of the request for arbitration the mobile home owner(s) and park owner shall contribute and deposit a sum of money with the Director for the estimated costs of, and as determined by, the Director. In no event shall the mobile home owner(s) contribution exceed \$300.00 or such other amount (greater or lesser) as the Director may establish. Failure on the part of the petitioner(s) to deposit its share, shall terminate the proceedings and will be deemed a denial of the request. In the event the park owner fails to deposit his share, the Arbitrator shall enter an order as to such park owner denying any increase in rent or any other new "pass through" charge for a 12 month period, beginning the date of the notice of increase that is the subject of dispute. This order shall become effective 30 days from the date it is mailed by the Director unless a court ordered stay of execution is granted. Unless such a stay is granted, any rent increase collected by park owner while this procedure was pending shall be refunded to residents within 60 days of the date of mailing of the notice denying the increase pursuant to this Section, by the Director. If no contrary court order is entered, and the amounts owed are not repaid in 60 days, affected residents may reduce their rental payments next due by the amount overpaid. If the amount exceeds one month's payment, the balance shall be deducted the next month until resident has received the overpayment plus ten percent of the total as a penalty for park owner not having complied with the provisions of this Ordinance.~~

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C. — In the event a petition by a tenant(s) results in a downward adjustment in the space rent, the park owner shall not be obligated to adjust any rent except the rent of those tenant(s) who signed the petition and paid the established filing fee.

**13.21.150 [RESERVED].**

**~~13.21.150 Selection of Arbitrator.~~**

A. — The City Manager shall, if the parties cannot otherwise agree, select the person who is to be the Arbitrator. The Arbitrator shall be selected from a list of recommendations provided by the Board of Directors of the Riverside County Bar Association or such other organization(s) as the City Manager deems appropriate. The Arbitrator shall be a resident of Riverside County and be qualified by education, training and experience.

B. — The City shall pay the Arbitrator his or her fees as agreed between the Arbitrator and the City Manager.

**13.21.160 [RESERVED].**

**~~13.21.160 Conduct of Arbitration.~~**

A. — The following is applicable to all hearings before the Arbitrator:

B. — Each party to a hearing may have assistance in presenting evidence or in setting forth by argument his or her position, from an accountant, attorney or such other person of his own choosing as may be designated by said party.

C. — Formal rules of evidence shall not apply in such proceedings; however, all testimony (oral or written) offered as evidence shall be submitted under oath.

D. — In the event any party shall fail to appear at the time and place set for hearing of a petition without good cause as determined by the Arbitrator, the Arbitrator may hear and review such evidence as may be presented by those present, and may make such findings and decisions as shall be supported by the evidence placed into the record.

E. — The Arbitrator shall make findings based on the evidence as presented as to each fact relevant to its decision on the petition. The decision shall be based upon the findings, and shall:

1. — Determine whether the action or proposed action of a landlord is valid, authorized, and in conformity with this Ordinance;

F. — The decision shall be made no later than 30 days after the matter has been submitted for determination. No rent adjustment shall be authorized unless supported by a preponderance of the evidence. A written notice of the decision shall be sent to each party to a proceeding.

**13.21.170 Appeal to court.**

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The findings and decision of the ~~Arbitrator Administrative Appeals Board~~ shall be a final administrative action. There shall be no right of appeal to the City Council, but appeal may be made to Court pursuant to Code of Civil Procedure Sections 1094.5 and 1094.6. Such findings and decision shall be public records, and may be certified ~~by the Director, or~~ by the City Clerk. Each decision shall set forth a Notice as required by ~~California Government Code~~Code of Civil Procedure Section 1094.6. The decision shall become effective and final upon mailing to the parties.

**13.21.180 Priorities.**

All petitions for hearings shall be heard in order of date filed.

**13.21.190 Rent adjustment regulations.**

For purposes of determining allowable NOI rent adjustments pursuant to Section 13.21.090B, ~~except those specified in Section 13.21.090 A for permissive annual adjustment and in Section 13.21.090 D for capital improvements~~, the principles set forth in this section shall be used. The ~~Arbitrator Administrative Appeals Board~~ may consider all relevant factors including, but not limited to: increases or decreases in operating and maintenance expenses, the extent and cost of utilities paid by the park owner, necessary and reasonable capital improvements of the park as distinguished from normal repair, replacement and maintenance, increases or decreases in amenities, equipment, insurance, services, substantial deterioration of the park other than as a result of ordinary wear and tear, failure on the part of the park owner to provide timely and/or adequate maintenance and repair, federal and state income tax benefits, the speculative nature of the investment, whether or not the property was acquired or is held as a long term or short term investment, the owner's rate of return on investment, the owner's method of financing and prudent use and need thereof, the owner's current and base year net operating income (NOI) as inflated to date by current CPI and any other factors deemed relevant by the ~~Arbitrator Administrative Appeals Board~~, in providing the owner a fair return.

The fact that a park is old shall not, of itself, be indicative that maintenance has deteriorated. The ~~Arbitrator Administrative Appeals Board~~ shall distinguish between normal deterioration and obsolescence of the park due to age and failure to adequately maintain.

In the event any such claim or claims of failure to adequately maintain are proven, the ~~Arbitrator Administrative Appeals Boards~~ may take one or more of the following actions:

- A. Deny any rental increase.
- B. Offset any allowable rental increase by an amount that is adequate to reflect the degree of failure to adequately maintain.
- C. Condition any allowable rental increase upon a remediation of the failure to maintain by the park owner. In this regard, the ~~Arbitrator Administrative Appeals Board~~ may freeze rents at the pre-increase level until such time as the park owner

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has come into compliance with the ~~Arbitrator's Administrative Appeal Board's~~ decision.

- D. The ~~Arbitrator Administrative Appeals Board~~ may recess the hearing for a period not to exceed 90 days to allow the park owner to correct the condition or conditions of inadequate maintenance.
- E. The ~~Arbitrator Administrative Appeals Board~~ may combine any two or more of the above-listed actions and/or may take any other action or actions that it deems necessary to correct the problem of inadequate maintenance.

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**13.21.200 Net operating income.**

Net operating income (NOI) shall be gross income less allowable operating expenses.

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**13.21.210 Gross income.**

Gross income equals:

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- A. Gross rents, computed as gross rental income at 100 percent paid occupancy, plus
- B. Interest from rental deposits, unless directly paid by the landlord to the tenants, ~~plus-~~
- C. Income from miscellaneous sources, including, but not limited to, laundry facilities, vending machines, amusement devices, cleaning fees or services, garage and parking fees, plus
- D. All other income or consideration received or receivable for or in connection with the use or occupancy of rental units,
- E. Minus uncollected rents due to vacancy and bad debts to the extent that the same are beyond the landlord's control.

**13.21.220 Allowable operating expenses.**

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Operating expenses shall include but not be limited to the following:

- A. Real property taxes,
- B. Utility costs. Utility costs are for natural gas or liquid propane gas, electricity, water, cable television, garbage or refuse service, and sewer service, unless billed separately to and paid by the park residents in which case the park owner may not deduct such costs. It is assumed that charges for utility services billed to the tenant separately include an adequate reserve amount to repair and upgrade meters, lines

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and equipment and the park owner shall have the burden of showing by clear and convincing evidence that any additional expense is necessary to cover such repairs or upgrade.

- C. Management fees actually paid if management services are contracted for. If all or a portion of management services are performed by the landlord, management fees shall include the reasonable value for such landlord performed services. Management fees greater than five percent of gross income are presumed to be unreasonable. Such presumption may be rebutted.
- D. Other reasonable management expenses, including, but not limited to, necessary and reasonable advertising, accounting and insurance.
- E. Normal repair and maintenance expenses, including, but not limited to, painting, normal cleaning, fumigation, landscaping, and repair of all standard services, including electrical, plumbing, carpentry, furnished appliances, drapes, carpets, and furniture.
- F. Owner-performed labor, which shall be compensated at the following hourly rates upon documentation of the date, time, and nature of the work performed:

1. At the general prevailing rate of per diem wages for the Riverside area, for the specific type of work performed, as determined and published by the Director of the Department of Industrial Relations of the State of California pursuant to Section 1770 et seq. of the Labor Code of the State of California.

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2. If no such general prevailing rate has been determined and published, then a cost per hour for general maintenance and a cost per hour for skilled labor as established by Riverside County ~~Department~~ Office of Economic Development.

3. Notwithstanding the above, a landlord may receive greater or lesser compensation for self-labor if the landlord proves by clear and convincing evidence that the amounts set forth above are substantially unfair in a given case.

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4. Owner performed labor in excess of five percent of gross income shall not be allowed unless the landlord proves by clear and convincing evidence that such excess labor expenses resulted in proportionately greater services for the benefit of tenants.

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G. License and registration fees required by law to the extent same are not otherwise paid by tenants.

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H. The reasonable cost of the capital improvement including reasonable financing costs, plus two percent over the federal prime rate at Bank of America in effect at

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the time of the assessment computed in accordance with any useful life table utilized by the Internal Revenue Service.

- I. Reasonable attorneys' fees and costs incurred as normal reasonable costs of doing business, including, but not limited to, good faith attempts to recover rents owing and good faith unlawful detainer actions not in derogation of applicable law, to the extent same are not recovered from tenants.

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### 13.21.230 Operating expenses not allowable.

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Operating expenses shall not include the following:

- A. Avoidable, unreasonable or unnecessary expenses;

All expenses allowed must be reasonable. To the extent that the ~~Arbitrator~~ Administrative Appeals Board finds any expense(s) to be unreasonable, the ~~Arbitrator~~ Administrative Appeals Board shall adjust such expense(s).

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- B. Mortgage principal and interest payments;

In refinancing, increased interest shall be permitted to be considered as an operating expense only where the park owner can show that the refinancing was reasonable and consistent with prudent business practices under the circumstances.

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- C. Lease purchase payments; and rent or lease payments to park owner's lesser; except that increases in such payments in any year may be allowed if found by the ~~Administrative Appeals Board~~ Arbitrator to be reasonable and consistent with prudent business practice under the circumstances.

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- D. Excessive costs of maintenance caused by delaying normal maintenance;

- E. A cost that results because the loss is uninsured where prudent business practice would expect insurance coverage or the cost for that portion of a loss above a normal deductible, if underinsured, ~~shall not be included as an operating expense.~~

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- F. Depreciation of the real property;

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- G. Any expenses for which the landlord has been reimbursed by any security deposit, insurance settlement, judgment for damages, settlement, or any other method.

- H. Attorneys' fees and other costs incurred for preparation and presentation of proceedings before the ~~Arbitrator~~ Administrative Appeals Board, or in connection with civil actions or proceedings against the ~~Arbitrator~~ City or the Administrative Appeals Board.

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- I. Penalties, fees or interest assessed or awarded for violation of this or any other statute or ordinance.

**13.21.240 Presumption of fair base year net operating income.**

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Except as provided in below, it shall be presume that the Net Operating Income produced by a park owner during the base year, provided a fair return on property. Owners shall be entitled to maintain and increase their Net Operating Income from year to year in accordance with Sections 13.21.080B and 13.21.090B.

**13.21.250 Rebutting the presumption.**

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It may be determined that the base year net operating income yielded other than a fair return on property, in which case, the base year Net Operating Income may be adjusted. In order to make such a determination, the ~~Arbitrator or its designee~~ Administrative Appeals Board must make at least one of the following findings:

- A. The owner's operating and maintenance expenses in the base year were unusually high or low in comparison to other years. In such instances, adjustments may be made in calculating such expenses so the base year operating expenses reflect average expenses for the property over a reasonable period of time. The ~~Arbitrator~~ Administrative Appeals Board shall consider the following factors:

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- 1. The owners made substantial capital improvements during the base year which were not reflected in the rent levels on the base date.
- 2. Substantial repairs were made due to damage caused by natural disaster, vandalism or other cause which management has taken appropriate action to reduce.
- 3. Maintenance and repair were below accepted standards so as to cause significant deterioration in the quality of housing services.
- 4. Other expenses were unreasonably high or low notwithstanding the following of prudent business practices by management.

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- B. The rental rates in the base year were disproportionate due to enumerated factors below. In such instances, adjustments may be made in calculating gross rents consistent with the purpose of this Ordinance.

- 1. The rental rates in the base year were substantially higher or lower than in preceding months by reason of premiums being charged or rebates being given for reasons unique to particular units or limited to the period determining the base rent.

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2. The rent in the base year was substantially higher or lower than at other times of the year by reason of seasonal demand or seasonal variations in rent.
3. The rental rates in the base year were exceptionally high or low due to other factors which would cause the application of the base year net operating income to result in gross inequity to either the owner or tenant.

**13.21.260 Determination of base year net operating income.**

- A. To determine the net operating income during the base year, there shall be deducted from the annualized gross income being realized in 1991, a sum equal to the actual operating expenses for calendar year 1991, unless the owner demonstrates to the satisfaction of the ~~Arbitrator~~ Administrative Appeals Board that the use of some other consecutive 12-month period is justified by reasons consistent with the purposes of this section.
- B. In the event the owner did not own the subject property during the base year, the operating expenses for 1991 shall be determined by one of the following methods, whichever the ~~Arbitrator or Board~~ Administrative Appeals Board determines to be more reliable in the particular case:
  1. The previous owner's actual operating expenses as defined in Section 13.21.220 and 13.21.230 if such figures were available, or
  2. Actual operating expenses for the first calendar year of new ownership, adjusted to 1991.
- C. Park owners shall be entitled to maintain and increase their net operating income from year to year in accordance with the guidelines set forth in this Ordinance. It shall further be rebuttably presumed that where the net operating income is less than 50 percent of gross income in the base year, the park owner was receiving less than a just and reasonable return on the mobile home park.

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**13.21.270 Determination of current year net operating income.**

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To determine the current year net operating income there shall be deducted from the annualized gross income, determined by analyzing the monthly rents in effect at the time of filing of a petition, a sum equal to the actual operating expenses for the last calendar year (unless the owner demonstrates to the satisfaction of the ~~Arbitrator~~ Administrative Appeals Board that the use of some other consecutive 12-month period is justified by reasons consistent with the purposes of this section).

**13.21.280 Schedule of increases in operating expenses.**

Where scheduling of rental increases, or other calculations, require projections of income and expenses, it shall be assumed that operating expenses, exclusive of property taxes, and

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management expenses, increase at five percent per year, that property taxes increase at two percent per year, and that management expenses constitute five percent of gross income, provided, however, that if actual increases are greater or less than those listed in this section, the actual increases shown according to proof shall be the increases applicable.

**13.21.290 Discretionary considerations.**

While the net operating income formula should operate to provide a park owner a fair return on the park, the ~~Hearing Officer or Arbitrator~~Administrative Appeals Board considering a request for rent increases shall consider all relevant factors presented in making a determination, as set forth in this Ordinance.

**13.21.300 Increases pending hearing.**

Rent increases ~~which require petition with the Administrative Appeals Board~~ may not be collected ~~in full~~ by the park owner until such time as ordered ~~otherwise~~ by a final decision of the ~~Arbitrator~~Administrative Appeals Board or unless agreed upon by the residents and the park owner; ~~however, a park owner may continue to collect the full amount of rent permitted, including any permissive CPI adjustment, which does not require such approval.~~

**13.21.310 Rent adjustments for reduction in utility services.**

A. If a mobile home park provides in the rent, without separate charge, utilities or similar services (including, but not limited to, natural gas, electricity, water, sewer, trash, and/or cable television) and converts to separate charge for such service by separate metering, separate charge or other lawful means of transferring to the tenant the obligation for payment for such services, the cost savings shall be passed through to tenants by a rent adjustment equal to the actual cost to the park of such transferred utility or similar service (less common area usage) based on costs for the 12 months period prior to notice to the tenants of the change. It is the intent of this Section for those rental agreements entered into on or after January 1, 1991, to be consistent with the provisions of Mobilehome Residency Law, including Civil Code Section 798.41 as adopted by Chapter 1013, Section 2 of the Statutes of 1990, as may be amended from time to time.

B. For purposes of this section, in determining cost savings to be passed on to tenants in the form of decreased rent, the cost of installation of separate utility meters, or similar costs incurred by the owner to shift the obligation for payment of utility costs to the tenants shall not be considered. However, this shall not be construed to prohibit or prevent the consideration of inclusion of such costs as an increased operating expense. ~~at arbitration.~~

**13.21.320 Quantum of proof and burden of proof.**

The decision of the ~~Arbitrator, the Director, or the Hearing Officer~~Administrative Appeals Board must be supported by the evidence submitted. ~~In Arbitration,~~ the petitioning party shall

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have the burden of going forward with the evidence and the burden of persuasion by a preponderance of the evidence.

**13.21.330 Remedies for violation.**

- A. Civil Remedies. Any person who demands, accepts, or retains any payment in violation of any provision of this Ordinance shall be liable in a civil action to the person from whom such payment is demanded, accepted, or retained ~~for damages in the sum of three times the amount by which the payment or payments demanded, accepted or retained exceed the maximum rent which could lawfully be demanded, accepted, or retained,~~ together with reasonable attorney's fees and costs as determined by the Court.
- B. Criminal Remedies. It shall be unlawful for any owner to willfully and knowingly adjust any rent in an amount in excess of that allowed under this Ordinance ~~or by order of the Arbitrator.~~ Any owner who willfully and knowingly violates any of the provisions of this Ordinance ~~or the orders of the Arbitrator~~ shall be guilty of a misdemeanor punishable by a fine not exceeding \$1,000 or six months in jail or both.
- C. Injunctive and Other Civil Relief. ~~Any Mobile home park operated, conducted, or maintained contrary to the provisions of this Ordinance shall be, and is hereby declared to be, unlawful and a public nuisance, and the City may, in addition to or in lieu of prosecution in a civil or criminal action under this Ordinance, commence an action or actions, proceeding or proceedings for the abatement, removal, and enjoinder thereof, in the manner provided by law, and shall take such other steps, and shall apply to such courts or court as may have jurisdiction to grant such relief as will abate, remove, and/or restrain and enjoin any person from operating, conducting, or maintaining a Mobile home park contrary to the provisions of this Ordinance. Such remedies shall be in addition to any other judicial or administrative remedies available to the City under the City Code or state law. The Arbitrator, the Director, the City, and/or the Tenants and Owners may seek relief from the appropriate Court within the jurisdiction in which the rental unit is located to enforce any provision of this Ordinance or its implementing regulations or to restrain or enjoin any violation of this Ordinance and of the rules, regulations, orders and decisions of the Arbitrator or City Council.~~
- D. Non-waiver of Rights. Any waiver or purported waiver by a tenant or prospective tenant of rights granted under this Ordinance prior to the time when such rights may be exercised, whether oral or written, shall be void as contrary to public policy.
- E. All remedies prescribed by this Ordinance are cumulative and the election of one or more remedy does not bar the City from the pursuit of any other remedy to enforce this Ordinance.

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F. Each violation of this Ordinance shall constitute a separate violation and each violation may be charged as a separate count in the event of administrative or criminal enforcement action.

**13.21.340 [RESERVED].**

**~~13.21.340 Periodic review of Ordinance.~~**

~~The City Council shall review the provisions of this Ordinance following a report by the Director one year following the date of adoption thereof, and at any other time deemed appropriate, in order to consider the following:~~

- ~~1. Whether this Ordinance continues to be necessary to protect the public health, safety, and welfare.~~
- ~~2. Whether the implementation of the provisions of this Ordinance have been adequate; and~~
- ~~3. Whether the provisions of this Ordinance should be amended to provide more effective regulations or to avoid unnecessary hardship.~~

**13.21.350 Severability.**

If any provision of this Ordinance or application thereof to any person or circumstances is held to be invalid, this invalidity shall not affect other applications of this Ordinance which can be given effect without the invalid provision or application, and to this end, the provisions of this Ordinance are declared to be severable.

**13.21.360 Ordinance to be liberally construed.**

This Ordinance shall be liberally construed to achieve the purposes of this Ordinance and to preserve its validity.

**13.21.370 [RESERVED].**

**~~13.21.370 Prospective effect.~~**

~~This Ordinance is intended to operate prospectively from its effective date, and anything which occurred prior to the effective date of this Ordinance which was otherwise lawful shall not be affected.~~

**13.21.380 [RESERVED].**

**~~13.21.080 Introduction.~~**

~~This Ordinance was duly and regularly introduced at a meeting of the City on the 12th day of March, 1996.~~

**13.21.390 [RESERVED].**

**~~13.21.390 Effective date.~~**



~~This Ordinance is effective 31 days after adoption.~~

**13.21.400 Repeal of Ordinance No. 602, and amendments thereto.**

Ordinance 602, and amendments thereto, enacted in 1984 adding Chapter 13.16 entitled Mobile Home Rent Review Commission to the Beaumont Municipal Code, is hereby repealed and superseded by the adoption of this Ordinance.