

ORDINANCE NO. ____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PICO RIVERA, CALIFORNIA, AMENDING CHAPTER 9.48 “MOBILEHOME RENT STABILIZATION AND MOBILEHOME OWNER PROTECTIONS” TO TITLE 9 OF THE PICO RIVERA MUNICIPAL CODE

WHEREAS, the City of Pico Rivera (“City”) is a general law city, incorporated under the laws of the State of California, and it has an interest in planning and regulating the use of property within the City; and

WHEREAS, the City desires to prevent and address unreasonable increases in mobilehome park space rents and help preserve affordable mobilehome space rents within the City while permitting mobilehome park owners to receive a fair return; and

WHEREAS, there are currently six (6) mobilehome parks operating in the City, with a total of approximately 405 mobilehome spaces and City staff evaluated the condition of the six (6) mobilehome parks to note the lease cost and conditions with regard to maintenance and amenities for residents and other quality of life issues; and

WHEREAS, mobilehome parks provide a significant pool of affordable housing for very low, low, and moderate income families, senior citizens, and the disabled residents in the City, and there has been a growing and alarming trend of excessive rent increases for mobilehome park spaces in the City; and

WHEREAS, on January 11, 2022, to address affordability concerns the City added Chapter 9.48, “Mobilehome Rent Stabilization and Mobilehome Owner Protections”, to Title 9 of the Pico Rivera Municipal Code; and

WHEREAS, On November 21, 2023, City staff, City Attorney, Economic Development Ad Hoc, and the Park resident advocate met to discuss the proposed amendments; and

WHEREAS, the City desires to amend Chapter 9.48, “Mobilehome Rent Stabilization and Mobilehome Owner Protections”, to further streamline implementation and provide clarity while preserving a fair balance between the interests of the park residents and owners.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Pico Rivera as follows:

SECTION 1. Incorporation of Recitals. The City Council hereby finds and determines that the recitals above are true and correct and hereby incorporated into this ordinance as though fully set forth herein.

SECTION 2. Chapter 9.48 “Mobilehome Rent Stabilization and Mobilehome Owner Protections,” is hereby replaced in its entirety to Title 9 of the Pico Rivera Municipal Code and shall read as follows:

Chapter 9.48 MOBILEHOME RENT STABILIZATION AND MOBILEHOME OWNER PROTECTIONS

9.48.010 Short Title.

This Chapter shall be known as “Mobilehome Rent Stabilization and Mobilehome Owner Protections.”

9.48.020 Definitions.

The following terms shall have the meaning provided below when used in this Chapter, whether plural or singular:

“Base Rent” means the rent charged on October 13, 2020, when the City Council first introduced its intent to regulate Rent for Mobilehome Parks within the City. However, the Base Rent for Mobilehome Spaces that were party to a long term Rental Agreement pursuant to California Civil Code section 798.17 prior to January 1, 2025 shall be the lesser of (i) the rent as of October 13, 2020, in addition to the yearly increase of the lesser of three percent (3%) or seventy-five percent (75%) of the percentage change in the CPI, as further provided in paragraph section 9.48.040 (D), or (ii) the rent as of January 1, 2025.

“Capital Improvement” means the addition, substantial repair, or replacement of any improvements to a Mobilehome Space within the geographic boundaries of a Mobilehome Park which materially adds to the value of the Mobilehome Park and appreciably prolongs its useful life or adapts it to new uses, and which is of the same type of improvement as those allowed to be amortized over the useful life of the improvement in accordance with the Internal Revenue Code and its regulations.

“Code” means the City of Pico Rivera Municipal Code.

“City” means the City of Pico Rivera.

“City Council” means the City Council for the City of Pico Rivera.

“CPI” means Consumer Price Index for all urban consumers of the Los Angeles-Riverside-Orange County, California area, or any successor designation of that index that may later be adopted by the United States Department of Labor. Calculation of the change in CPI percentage will be determined by the Department.

“Department” means the Community and Economic Development Department or any individual, organization, board or body, as designated by the City Council by adopting an appropriate resolution vesting the review powers and/or other duties set forth in this Chapter.

“Housing Services” means all services provided by a Mobilehome Park Owner related to the use or occupancy of a Mobilehome Space, including but not limited to, water and sewer, natural gas, electricity, refuse removal, management and administration, maintenance and repairs, recreation facilities (including pools), laundry

facilities, storage space, parking (including one or more automobiles), security services, insurance and the payment of property taxes. The term "Housing Services" shall not include legal fees, mortgage payments, whether for principal, interest, or both, bonuses of any nature paid to Mobilehome Park employees, penalties, fees, damages, or interest assessed or awarded for violations of this Chapter or any other law, or any expenses for which the Mobilehome Park Owner has been reimbursed by any security deposit, insurance, settlement, judgment for damages, settlement, or any other method.

"Mobilehome" means the definition set forth in California Civil Code section 798.3.

"Mobilehome Park" means any area of land in the City of Pico Rivera where two or more Mobilehome Spaces are rented, or held out for rent, to accommodate Mobilehomes used as residences.

"Mobilehome Owner" means a person who owns a Mobilehome and is also renting a Mobilehome Space in a Mobilehome Park under a Rental Agreement with the Mobilehome Park Owner, or any other person entitled under the terms of a Rental Agreement to the use or occupancy of the Mobilehome, which may include the use of the Housing Services of the Mobilehome Park and any other amenities.

"Mobilehome Park Rental Review Board" or Board means a five (5) member board who shall hear and determine rent adjustment Applications seeking either an adjustment for Capital Improvement expenditures incurred and/or for an adjustment to assure a Mobilehome Park Owner a "fair return" as constitutionally allowed by law, and determine whether to approve, modify or disapprove such a rent adjustment pursuant to the procedures set forth in the Ordinance.

"Mobilehome Residency Law" means California Civil Code sections 798 through 799.11.

"Mobilehome Space" means 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 whether or not the Mobilehome Space is permitted pursuant to State or local law.

"Mobilehome Park Owner" means the owner, lessor, operator or manager of a Mobilehome Park in the City who receives, or is entitled to receive, Rent for the use and occupancy of any Mobilehome Space, and the agent, representative or successor of any of the foregoing.

"Rent" means consideration paid for the use or occupancy of a Mobilehome Space or for Housing Services provided, or both, but does not include any of the following, each of which shall be separately listed and identified in the Rental Agreement:

- a. Any amount paid for renting the Mobilehome;
- b. Security deposits;
- c. User fees for services or facilities which may be utilized at the option of the Mobilehome Owners and are expressly not included as Rent in the Rental Agreement;
- d. Utility charges for those Mobilehome Parks which bill the Mobilehome Owner separately, whether or not the Mobilehomes are individually metered;
- e. Any Rent discounts, incentives, concessions, or credits offered by the Mobilehome Park Owner; or
- f. Any pass-through authorized pursuant to this Chapter.

"Rental Agreement" means a lease or other oral or written agreement between the Mobilehome Park Owner and Mobilehome Owner establishing the terms and conditions of the Tenancy.

"Service Reduction" means any decrease or diminution in the level of Housing Services provided by the Mobilehome Park on or after the effective date of this Chapter, including but not limited to, services the Mobilehome Park Owner is required to provide pursuant to:

- a. California Civil Code section 1941 et. seq.;
- b. The Mobilehome Residency Law;
- c. The Mobilehome Parks Act, California Health and Safety Code section 18200 et seq.;
- d. The Mobilehome Park Owner's implied warranty of habitability, which cannot be contractually excluded or waived;
- e. A Rental Agreement between the Mobilehome Park Owner and the Mobilehome Owner;
- f. The level of service as implied by the condition of improvements, fixtures, and equipment, and their availability for use by the Mobilehome Owner at the time of execution of the Rental Agreement with the Mobilehome Park Owner; and
- g. Applicable rules or regulations of the Mobilehome Park.

"State" means the State of California.

"Tenancy" means the legal right of a Mobilehome Owner or any other occupant who took possession of the Mobilehome for the use or occupancy of the Mobilehome, to use a Mobilehome Space within a Mobilehome Park on which to locate, maintain, and occupy a Mobilehome, site improvements, and accessory structures for residence, including the use of the Housing Services and facilities of the Mobilehome Park, subject to the terms and conditions of the Rental Agreement and Mobilehome Residency Law.

9.48.030 **Base Rent.**

Except as hereinafter provided, a Mobilehome Park Owner shall not demand, accept, or retain Rent for a Mobilehome Space exceeding the Base Rent set forth in Section 9.48.020. Notwithstanding the foregoing, a Mobilehome Park Owner shall be permitted to adjust the Base Rent from the date set forth in Section 9.48.020 by the amount allowed in Section 9.48.040 (D).

9.48.040 **Permitted Rent Increases for Mobilehome Spaces.**

A. A Mobilehome Park Owner may impose an annual Rent increase for any Mobilehome Space, as allowed in this Section, only after providing at least ninety (90) days written notice to the Mobilehome Owner of the Rent increase pursuant to the California Civil Code section 798.30.

B. A Mobilehome Park Owner must initially register each Mobilehome Space by providing the Base Rent as of October 13, 2020, on a form approved by the Department.

C. A Mobilehome Park Owner may impose an annual Rent increase only upon completing the initial registration pursuant to Section 9.48.050, and in compliance with federal, state, and local laws and requirements.

D. Annual Rent increases shall be limited to the lesser of three percent (3%) or seventy-five percent (75%) of the percentage change in the CPI. "Change in the Consumer Price Index" will be calculated as using the change from January 31st of the prior year to January 31st of the current year in the United States Consumer Price Index for all Urban Consumers in the Los Angeles-Long Beach-Anaheim Metropolitan Area published by the Bureau of Labor Statistics.

E. Notwithstanding any provisions of the allowable Rent Increases set forth in Section H, I and J, below, only one permitted Rent Increase may be imposed upon a Mobilehome Owner or Mobilehome Space during any one twelve (12) month period.

F. Notice, Calculation, and Application of Allowable CPI Rent Increase.

1. Calculation of CPI Rent Increase. The allowable annual Rent increase shall be calculated by the Department.

2. Application of CPI Rent Increase. An Application for an allowable CPI Rent Increase pursuant to this Chapter shall be filed upon a form prescribed by the Department and shall be accompanied by the payment of a fee to be established by resolution of the City Council. The Application shall specify the address of the mobilehome park, the space number or numbers for which the allowable annual Rent Increase is requested, and the amount of the allowable annual Rent adjustment permitted under this Chapter. The Application will articulate any changes in tenancy and/or changes to Housing Services.

3. A determination of completeness shall be made by the Department within thirty (30) days of submission. Mobilehome Owners may review the Application in the Department and may also obtain copies of the Application upon payment of the City's copying costs.

4. Unless waived by the Mobilehome Park Owner in writing, the Department Director shall, within thirty (30) days of the date that the Application is determined to be substantially complete, approve the rent increase as properly calculated under this Chapter. The determination of the Department of the allowable annual CPI Rent shall be final.

G. Rent Excess Paid.

1. In the event a Mobilehome Owner paid Rent in excess of that permitted by the Department, the Mobilehome Park Owner shall reimburse the Mobilehome Owner for the Rent overpayment.

2. The Mobilehome Park Owner may elect either:

a. Reimburse the Mobilehome Owner for the Rent overpayment through one lump sum payment, which must be paid by the time the next monthly obligation is due; or

b. Reimburse the Mobilehome Owner for the Rent overpayment over a six (6) month period in the form of a monthly credit towards Rent otherwise due from the Mobilehome Owner, to which the first credit must be applied at the time the next monthly obligation is due.

3. Reimbursement(s) for Overpayment Exceeds Rent Due. Where the reimbursement(s) due to the Mobilehome Owner exceeds the Rent due for the remainder of the Tenancy, the reimbursement(s) exceeding the Rent due shall be paid to the Mobilehome Owner as a lump sum payment within thirty (30) calendar days of the Department's determination of a rent overpayment.

H. Rent Paid Following Vacancy of Mobilehome Space.

1. Following a vacancy a Mobilehome Park Owner may increase the Rent for the next Mobilehome Owner by the lesser of three percent (3%) or seventy-five percent (75%) of the percentage change in the CPI, as further provided in Section 9.48.040 (D), whenever either of the following events occur:

a. The termination of the Tenancy of the affected Mobilehome Owner in accordance with the Mobilehome Residency Law; or

b. The voluntary, permanent removal of a Mobilehome by a Mobilehome Owner from a Mobilehome Space.

c. A removal of the Mobilehome from the Mobilehome Space due to fire, earthquake, or water damage, or for the purpose of upgrading the Mobilehome, shall not constitute a voluntary removal of the Mobilehome.

2. Upon the sale of a Mobilehome located in a Mobilehome Space where the Rental Agreement with the original Mobilehome Owner or resident has expired, a Mobilehome Park Owner may increase the Rent for that Mobilehome Space in an amount not to exceed the lesser of three percent (3%) or seventy-five percent (75%) of the percentage change in the CPI.

3. Rent increases following vacancy shall not be reduced by any previously approved pass-through fees or costs.

4. The Rent for purposes of calculating the initial Rent for the next Mobilehome Owner following vacancy of a Mobilehome Space, as further provided in paragraph section 9.48.040 (D), shall be the last rental rate charged for the Mobilehome Space under the previous Rental Agreement.

5. No Rent increase may be imposed following vacancy of a Mobilehome Space pursuant to this Section if a Rent increase was imposed within the twelve (12) month period preceding the proposed Rent increase.

I. Allowable Rent Following Expiration of an Exempt Lease or upon Sunset of Rent Stabilization Exemption. In the event a Mobilehome Space was previously exempt under a Rental Agreement pursuant to California Civil Code section 798.17, the Rent shall be rolled back to the lesser of (i) the cost as of October 13, 2020, in addition to the yearly increase of the lesser of three percent (3%) or seventy-five percent (75%) of the percentage change in the CPI, as further provided in paragraph section 9.48.040 (D), or (ii) the rent as of January 1, 2025.

J. Allowable Rent Increases upon "In-Place" Transfer of Mobilehome Ownership.

1. For Mobilehome Spaces subject to this Chapter, upon the Mobilehome Owner's "in-place" sale, transfer, or other conveyance of a Mobilehome to a new Mobilehome Owner, the Mobilehome Park Owner may increase the Rent in an amount not to exceed three percent (3%) of the annual rent paid by the prior Mobilehome Owner or seventy-five percent (75%) of the percentage change in the CPI.

2. No Rent increase under an existing Rental Agreement subject to this Chapter may be imposed pursuant to this Section when:

a. An existing Mobilehome Owner or resident replaces an existing Mobilehome with another Mobilehome, and occupies the same Mobilehome Space under an existing Rental Agreement subject to the provisions of this Chapter;

b. Title to the Mobilehome passes to one or more persons who, at the time of the title transfer, (i) is a lawful, authorized resident of the Mobilehome, or (ii) is a spouse, registered domestic partner, child, grandchild under 18 years of age, parent, or grandparent of the Mobilehome Owner, and the Mobilehome remains in the same Mobilehome Space; or

c. A Rent increase was imposed pursuant to this Section within the twelve (12) month period preceding the proposed Rent increase.

K. Mobilehome Owner's Right of Refusal. A Mobilehome Owner may refuse to pay a Rent increase which is in violation of this Chapter. Such refusal to pay more than the permitted amount shall be a defense in any action brought to recover possession of a Mobilehome Space or to collect the Rent increase.

L. Rent Banking. A Mobilehome Park Owner who does not impose an annual Rent increase or a portion of the permitted annual Rent increase in any twelve (12) month period, as provided in this Section, waives the annual Rent increase or the remaining portion of the permitted annual Rent increase, for the remainder of the Tenancy.

M. Exemptions. The following are exempt from this Section:

1. Mobilehome Spaces that meet the exemption requirements of the Mobilehome Residency Law or are otherwise expressly exempt under State or federal law.

2. Newly constructed Mobilehome Spaces, for a period of 15 years from the date upon which 50 percent (50%) of the spaces in the Mobilehome Park are initially held for rent measured from the date of issuance of a permit or certificate of occupancy for that space, per California Civil Code section 798.45.

3. Mobilehome Spaces used or rented for non-residential uses.

4. Mobilehome Spaces owned, managed, or operated by a government agency.

9.48.050 Initial Rental Registration.

A. Registration of Housing Services. When registering each Mobilehome Space, the Department requires a Mobilehome Park Owner to register all Housing Services available to the Mobilehome Owners.

B. Registration must include, but is not limited to, the following information:

1. Rent for each Mobilehome Space in the Mobilehome Park and the date of the last Rent increase for the Mobilehome Space.

a. If a Mobilehome Space is not the site of any Tenancy at the time of registration, include the most recent Rent for that Mobilehome Space.

2. The name, business address, and telephone number of each Mobilehome Park Owner in the Mobilehome Park and the nature of such ownership interest.

3. The number of Mobilehome Spaces in the Mobilehome Park.

4. The name and mailing address of each Mobilehome Owner.

5. A map of the Mobilehome Park.

6. Move-in and vacancy dates for each Mobilehome Owner.

7. A description of Housing Services provided by the Mobilehome Park

8. The date each Mobilehome Space was first offered for rent.

9. The term of each Rental Agreement.

10. The rules and regulations of the Mobilehome Park.

9.48.060 Mobilehome Owner Rental Agreement.

A. A Mobilehome Owner shall be offered a Rental Agreement for: (1) a term of twelve (12) months, or (2) a lesser period as the Mobilehome Owner may request, or (3) a longer period as mutually agreed upon by both the Mobilehome Owner and the Mobilehome Park Owner or its management.

B. Rental Agreements executed between a Mobilehome Park Owner and a Mobilehome Owner shall follow the requirements and procedures set forth in the California Mobilehome Residency Law and this Chapter.

C. No Rental Agreement for a Mobilehome Space shall contain a provision by which the Mobilehome Owner waives his or her rights under the provisions of the California Mobilehome Residency Law. Any such waiver shall be deemed contrary to public policy and void.

D. Neither a Mobilehome Owner nor a prospective Mobilehome Owner shall be required to sign a Rental Agreement that is exempt from or that does not comply with the provisions of this Chapter.

E. A Mobilehome Park Owner shall include language in the Rental Agreement that a Mobilehome Owner may be subject to pass-through costs that have been reviewed and approved by the Board.

F. A prospective Mobilehome Owner who has not moved into the Mobilehome Space may cancel a Rental Agreement by notifying the Mobilehome Park Owner or its management in writing of the cancellation within seventy-two (72) hours of the execution of the Rental Agreement.

9.48.070 Notice to Mobilehome Owners.

A. Mandatory Notices to Mobilehome Owners. Mobilehome Park Owners must provide to each Mobilehome Owner, prior to, or at the time of agreeing to Rent a

Mobilehome Space, a notice of Mobilehome Owner's rights under this Chapter and a copy of the Mobilehome Residency Law. The Department shall publish a form notice of Mobilehome Owner's rights in English and other frequently spoken languages. A Mobilehome Park Owner must provide the form notice in the following circumstances:

1. When entering into a Rental Agreement, by including a copy of the form notice as an exhibit or attachment to the written Rental Agreement;
2. When renewing a Rental Agreement; and
3. When providing a notice of a Rent increase or decrease or a Service Reduction.

B. If the Rental Agreement is negotiated or written in a language other than English, the Mobilehome Park Owner must also provide the form notice of Mobilehome Owner's rights in English and the language in which the Rental Agreement was negotiated or written.

C. Posting on Property. A Mobilehome Park Owner must post a copy of the form notice of Mobilehome Owner's rights, as published by the Department, in an on-site management office or in an accessible area of the Mobilehome Park.

9.48.080 Fair and Reasonable Return Application

A. Right of the Mobilehome Park Owner to Request Fair Return Increase. In the event a rent increase as set forth in Section 9.48.040 does not provide the Mobilehome Park Owner with a Fair and Reasonable Return, the Mobilehome Park Owner may request an increase more than said amounts by filing an Application for rent adjustment in order to obtain a fair return, in accordance with the provisions of Sections 9.48.080, 9.48.090 and 9.48.120. A Mobilehome Park Owner shall have the burden to prove the necessity of any additional rent increase necessary to earn a Fair and Reasonable Return.

B. A Mobilehome Park Owner must initially register each Mobilehome Space pursuant to Section 9.48.050 by providing the Base Rent as of October 13, 2020, on a form as approved by the Department prior to submitting a Fair and Reasonable Return Application.

C. Presumption of Fair Return. For the purposes of determining the rent adjustment necessary to provide the Mobilehome Park Owner with a Fair and Reasonable Return, it shall be presumed that the net operating income, as described below, received by the Mobilehome Park Owner in the Base Year, provided the Mobilehome Park Owner with a Fair and Reasonable Return.

D. Maintenance of Net Operating Income ("MNOI") Analysis. The MNOI analysis compares the net operating income level expected from the last rent increase granted to a park owner and prior to any pending rent increase application to the net operating income demonstrated in any pending rent increase application. An MNOI analysis is a method used to determine a constitutional fair return by evaluating the rent increase to the prior rent increase, with appropriate adjustments to the CPI, and is a methodology approved by the courts in which changes in debt service expenses are not considered.

E. Base Year and Current Year.

1. "Current year" is the most recently completed calendar year ending on December 31st.

2. "Initial base year" means the 2019 calendar year, which is the fully complete year preceding the initial registration on October 13, 2020.

3. "Base year" means the calendar year that was considered the current year in the Application last approved by the Board.

F. Calculation of Net Operating Income

1. Net operating income. Net operating income shall be calculated by subtracting operating expenses from gross income.

2. Gross Income

a. Gross income equals the following:

(i). Gross space rents, computed as gross space rental income at one hundred (100) percent occupancy; plus

(ii). Other income generated because of the operation of the park, including but not limited to laundry and recreational vehicle storage; minus

(iii). Uncollected space rents due to vacancy and bad debts to the extent that the same are beyond the park owner's control. Uncollected space rents more than three (3) percent of gross space rents shall be presumed to be unreasonable unless established otherwise and shall not be included in computing gross income. Where uncollected space rents must be estimated, the average of the preceding three (3) years' experience shall be used, or some other comparable method.

b. Gross income shall not include:

(i). Charges for sub-metered gas and electricity utilities, which are covered by the California Public Utilities Commission rate differential for maintenance and Capital Improvements.

(ii). Charges for water, refuse disposal, sewer service, and/or other services, which are either provided and charged to mobile home residents solely on a cost pass-through basis and or regulated by state or local law.

(iii). Any amount paid for the use and occupancy of a mobile home unit (as opposed to an amount paid for the use and occupancy of a mobile home space).

3. Operating Expenses

a. Operating expenses shall include the following:

(i). Any reasonable cost of operation and maintenance associated with a mobilehome park. Whenever a particular expense exceeds the normal industry or other comparable standard, the park owner shall bear the burden of proving the reasonableness of the expense. To the extent that the Board finds any such expense to be unreasonable, the Board shall adjust the expense to reflect the normal industry or other comparable standard.

(ii). Normal repair and maintenance expenses for the grounds and common facilities, including but not limited to landscaping, cleaning, repair of equipment and facilities.

(iii). Insurance premiums prorated over the life of the policy.

(iv). Management Expenses. Fees paid to management

companies not more than 6% of the net income are allowable. Costs incurred for resident managers, inclusive of related housing costs if paid by the Mobilehome Park Owner, are allowable in addition offsite management expenses so long as there is no evidence of duplication of service and the combined cost does not exceed 6% of the net income.

(v). Utility Cost. Utility cost except utility where the consideration of income associated with provision of the utility service is regulated by state law and consideration of the cost associated with the provision of the utility service is preempted by state law.

(vi). Real Property Taxes. Property taxes are an allowable expense, subject to the limitation that property taxes attributable to an assessment in a year other than the base year or current year shall not be considered in calculating base year and/or current year operating expenses.

(vii). License and Registration Fees. License and registration fees required by law to the extent that these expenses are not otherwise paid or reimbursed by tenants.

(viii). Other taxes, fees and permits.

(ix). Mobilehome Park Owner - Performed Labor. Mobilehome Park Owner -performed labor compensated at reasonable hourly rates.

(a) No Mobilehome Park Owner -performed labor shall be included as an operating expense unless the Mobilehome Park Owner submits documentation showing the date, time, and nature of the work performed.

(b) There shall be a maximum allowed under this provision of five percent of gross income unless the Mobilehome Park Owner shows greater services were performed for the benefit of the residents.

(x). Legal Expenses. Attorneys' fees and costs incurred in connection with successful good faith attempts to recover rents owing, successful good faith unlawful detainer actions not in derogation of applicable law, and legal expenses necessarily incurred in dealings with respect to the normal operation of the park to the extent such expenses are not recovered from adverse or other parties.

b. Exclusions from Operating Expenses. Operating expenses shall not include the following:

(i). Mortgage principal or interest payments or other debt service costs.

(ii). Any penalties, fees or interest assessed or awarded for violation of any provision of this Chapter or of any other provision of law.

(iii). Land lease expenses.

(iv). Political contributions and payments to organizations which are substantially devoted to legislative lobbying purposes.

(v). Depreciation.

(vi). Any expenses for which the Mobilehome 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 in expenses since the base year.

(viii). Expenses associated with the provision of master-metered gas and electricity services.

(ix). Expenses which are attributable to unreasonable delays in performing necessary maintenance or repair work or the failure to complete necessary replacements (e.g., a roof replacement may be a reasonable expense, but if water damage occurred as a result of unreasonable delays in repairing or replacing the roof, it would not be reasonable to pass through the cost of repairing the water damage).

(x). Expenses incurred by a Mobilehome Park Owner to prepare, file, or pursue a Fair and Reasonable Return Application are not an allowable operating expense and may not be passed onto the Mobilehome Owner. Such fees and costs include, but are not limited to, attorney fees or other similar professional services costs.

c. Adjustments of Operating Expenses. Base year and/or current operating expenses may be averaged with other expense levels for other years or amortized or adjusted by the CPI or may otherwise be adjusted, in order to establish an expense amount for that item which most reasonably serves the objectives of obtaining a reasonable comparison of base year and current year expenses. Grounds for such adjustments include, but are not limited to:

(i). 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 current year expense is not a reasonable projection of expenditures for that item in recent years or of future expenditures for that item;

(iv). A particular 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 current year expenses although the level or type of service 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.

G. Per Space Rent Adjustment pursuant to Fair Return Standard. The allowable rent increase per mobilehome park space pursuant to this section shall not be increased as a result of the fact that there are exempt spaces in the park.

H. Assurance of a Fair Return. It shall be presumed that the MNOI standard provides a fair return. Nothing in this Chapter shall preclude the Board from granting an increase that is necessary in order to meet constitutional fair return requirements.

9.48.090 Submission of Mobilehome Park Owner Fair and Reasonable Return Application

A. Application Submission Deadline. A Mobilehome Park Owner may submit an application for a rent increase in order to obtain a fair return. No Application for a fair return rent adjustment may be filed pursuant to this Chapter until thirty days

after this Chapter goes into effect. Applications must be filed with the Department within six (6) months of the end of the calendar year.

B. Limit on Frequency of Application. Only one Application pursuant to this Section may be filed for a mobilehome park within a twelve (12) month period. If a CPI Rent increase is approved within the same twelve (12) month period a Fair and Reasonable Return Application is approved, the approved fair return rent increase will be net of the CPI approved increase allowed under Section 9.48.040.

C. Submission of Application.

1. Application Form Required. Such Application shall be on a form prescribed by the Department.

2. Application Fee. Mobilehome Park Owner may apply for fair and reasonable Rent increase only upon completing the initial registration pursuant to Section 9.48.050 and paying the required Application fee pursuant to Section 9.48.120, and in compliance with federal, State, and local laws and requirements.

3. Cost of Expert Analysis. Upon the receipt and review of a fair return Application, the Department may determine if the employment of experts will be necessary or appropriate for a proper analysis of the applicant's Application. If the Department so determines, the Department shall also determine the anticipated cost of employing any such experts. The resulting figure shall be communicated to the applicant. The Application shall not be further processed until the applicant has paid to the Department the estimated cost of expert analysis. Any unused portion for payments so collected shall be refunded to the applicant.

4. Contents of Application Form. The form may require any information deemed relevant by the Board. The form shall include, but not be limited to:

a. A list of the names and addresses of all mobilehome park tenants subject to the rent increase.

b. A statement of the date the rent increase is proposed to be effective.

c. The rent for each space in the park in the base year, the current year, and the three (3) prior years.

d. An income and expense statement for the base year, the current year, and the three years prior to the current year.

e. Evidence documenting the income and expenses claimed by the Mobilehome Park Owner.

f. All other documentation and opinion testimony upon which the Mobilehome Park Owner is relying to justify the rent increase.

g. Other information as required by the Procedures and Guidelines in accordance with Section 9.48.120 and 9.48.150.

9.48.100 Pass-Through Capital Improvement Cost Recovery.

A. Pursuant to this Section, a Mobilehome Park Owner may file an application with the Department, on a form approved by the Department, to pass-through Capital Improvement costs to affected Mobilehome Owners in Mobilehome Spaces. Such

application may include a request to exceed any prescribed limitations described in Section 9.48.040 if necessary for the Mobilehome Park Owner to pass-through Capital Improvement costs.

B. A Mobilehome Park Owner may not pass-through Capital Improvement costs to Mobilehome Owners until the Department approves the Mobilehome Park Owner's application, the Mobilehome Park Owner registers each Mobilehome Space pursuant to Section 9.48.050 and is in compliance with federal, State, or local law requirements. The approved pass-through Capital Improvement costs should appear as a separate line item on the Rent statement along with the end date of the amortization period and any remaining pass-through balance. An approved pass-through cost is not considered Rent.

1. A Mobilehome Park Owner must cease collecting the pass-through Capital Improvement cost when the Mobilehome Park Owner recovers the costs permitted by the Department.

2. In the event a Mobilehome Owner paid pass-through Capital Improvement costs more than that permitted by the Department or beyond the date of expiration of the pass-through, the Mobilehome Park Owner shall reimburse the Mobilehome Owner for the pass-through overpayment.

a. The Mobilehome Park Owner may elect to either:

(i) Reimburse the Mobilehome Owner for the pass-through overpayment through one lump sum payment, which must be paid by the time the next monthly obligation is due; or

(ii) Reimburse the Mobilehome Owner for the pass-through overpayment over a six (6) month period in the form of a monthly credit towards any monthly obligation(s) due from the Mobilehome Owner, to which the first credit must be applied at the time the next monthly obligation is due.

b. Reimbursement(s) for Overpayment Exceeds Monthly Obligation(s) Due. Where the reimbursement(s) due to the Mobilehome Owner exceeds the total monthly obligation(s) due for the remainder of the Tenancy, the reimbursement exceeding the monthly obligation(s) shall be immediately paid to the Mobilehome Owner as a lump sum payment.

C. Interest Allowance for Expenses that Are Amortized. An interest allowance shall be allowed on the cost of amortized expenses; the allowance shall be the interest rate equal to the "average rate" for thirty (30) year fixed rate on home mortgages. 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. If this rate is no longer published, the index which is most comparable to the PMMS index shall be used.

D. Pursuant to this Section, no Capital Improvement cost pass-through shall increase monthly Rent over ten percent (10%), unless due to extenuating circumstances and approved by the Board.

E. Capital Improvement Cost Pass-Through. A Mobilehome Park Owner may recover up to fifty percent (50%) of a Capital Improvements cost from existing Mobilehome Owners if the Capital Improvement is in accordance with the procedures and guidelines and with this Chapter.

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1. Capital Improvement must be for the primary benefit, use and enjoyment of Mobilehome Owners, cost-factored, and amortized over a useful life of at least five (5) years, and permanently fixed in place or relatively immobile and appropriate to the use of the Mobilehome Park.

2. Capital Improvements do not include the following:

- a. Normal routine maintenance and repair, including, but not limited to routine maintenance or repair of a street or driveway.

- b. Costs of maintenance and repair, as opposed to replacement.

- c. Costs of replacement if the replacement was necessary because of the Mobilehome Park Owner's failure to carry out said maintenance responsibilities, as determined by the Department.

- d. Costs to maintain physical improvements in the common facilities in good working order and condition, including pursuant to California Civil Code section 798.15.

- e. Additions or replacements made to bring the Mobilehome Park into compliance with a provision of the State or local law if the Mobilehome Space has not been in compliance with said provision from the time of its original construction or installation and such provision was in effect at the time of such construction or installation.

- f. Coin-operated improvements or improvements for which a "use fee" or other charge is imposed on Mobilehome Owners for their use.

9.48.110 Submission of Mobilehome Park Owner Capital Improvement Application

A. Application for Recovery of Pass-Through Capital Improvement Costs. A Mobilehome Park Owner must submit an Application for Recovery of Pass-Through Capital Improvement Costs, on a form approved by the Department, within one (1) year of completion of the Capital Improvement.

B. Contents of Application Form. Said Application must be in compliance with the procedures and guidelines, contain the following information, and be accompanied by copies of relevant supporting documentation:

1. A description of the completed Capital Improvement;

2. 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 cost of financing the Capital Improvement;

3. The proposed amortization period to be used based on the procedures and guidelines, if the period differs from one hundred twenty (120) months;

4. A list of the Mobilehome Owners that will be affected by or benefit from the Capital Improvement;

5. The formula used to calculate the pro rata share of each Mobilehome Owner; Owner; Improvement;

6. The monthly cost to each affected or benefiting Mobilehome;

7. The commencement and completion dates of the Capital; and

8. Such other information as may be requested.

9.48.120. Procedures for Permitted Rent Increases upon Applications Approved by the Board

A. A Mobilehome Park Owner seeking a Rent adjustment or a Capital Improvement pass-through pursuant to sections 9.48.080 and 9.48.100 may file with the Department an Application for one (1) or more mobilehome spaces for approval by the Board pursuant to this Chapter.

B. An Application pursuant to this Chapter shall be filed upon a form prescribed by the Department and shall be accompanied by the payment of a fee to be established by resolution of the City Council. Supporting documentation shall be filed with the Application and the Mobilehome Park Owner shall produce at the request of the Department any records, receipts, reports, or other documents that the Department may deem necessary for the Board to make its determination concerning the Application. The Application shall be made under penalty of perjury and supporting documents shall be certified or verified as requested by the Department.

C. An Application accompanied by the required fee shall be accepted and lodged by the Department but shall not be filed until it is substantially complete, and the time periods provided by this Chapter for processing the Application shall not begin to run until an Application is substantially complete and filed. The Department shall determine within thirty (30) days after the receipt of an Application whether said Application is complete. If the Department determines that an Application is not complete, it shall so notify the Mobilehome Park Owner in writing and the notice shall state what additional information is required to complete the Application. An application which is substantially complete but lacks documentation to support certain claims can be processed for hearing, but any claimed expenses lacking adequate documentation shall not be allowed as operating expenses. Any Application which has not been substantially completed within six (6) months of its submission to the Department shall be returned to the Mobilehome Park Owner. Thereafter, a new Application and fee shall be required if the Mobilehome Park Owner wishes to apply for a rent increase.

D. Upon receipt of an Application, the Department shall mail a notice to the affected Mobilehome Owners informing them that an Application has been lodged and is being reviewed for completeness. The notice shall also state the amount of the increase being sought. Mobilehome Owners may review the Application in the Department and may also obtain copies of the Application upon payment of the City's copying costs. Upon determining that the Application is substantially complete, the Department shall mail a notice to the Mobilehome Park Owner stating that the Application is substantially complete and has been filed. At the same time, the Department shall mail a notice to the affected Mobilehome Owners stating that the Application is substantially complete and informing them of the amount of the rent increase sought and that they have until fourteen (14) days prior to the hearing on the Application to submit written statements, photographs, documents, or other evidence

relating to the Application, to the Department for Board consideration. All materials submitted by a Mobilehome Park Owner, Mobilehome Owner or any other interested party are public records, may be inspected and may be copied upon payment of the City's copying costs.

E. Examination and Inspection. The Department shall be permitted by a Mobilehome Park Owner, during reasonable business hours, to visit the Mobilehome Park and confirm if a Capital Improvement was completed and that the Capital Improvement cost amount is justified. Similarly, the Department shall be permitted to examine the condition of the Mobilehome Park and Housing Services as part of a Fair and Reasonable Return Application.

F. The Board shall hold a public hearing on an Application no earlier than sixty (60) days and no later than (90) days of the date that the Application is determined to be substantially complete. Notice of the time, date and place of the hearing shall be mailed to the Mobilehome Park Owner and affected Mobilehome Owners at least fifteen (15) days prior to the hearing date. The staff report on an Application shall be provided to Board Members, and made available to the Mobilehome Park Owners, the Mobilehome Owners and their designated representatives, if any, at least seven (7) days prior to the hearing.

G. At the public hearing, the Mobilehome Park Owner, affected Mobilehome Owners, their representatives and any interested person may offer any testimony that is relevant to the Application. They may offer documents, written declarations, photographs or other written or documentary evidence for the first time at the hearing only if good cause is shown why such evidence could not, with reasonable diligence, have been filed with the Department fourteen (14) days prior to the hearing. Board Members and Alternates may testify at a hearing on a rent increase Application only when they have recused themselves and the Application involves a park in which they reside, have a financial interest or manage, or in which a parent, grandparent or siblings of the Board Member or Alternate resides.

1. All persons testifying at the hearing shall be sworn under penalty of perjury. Formal rules of evidence shall not be applicable to the hearing.

H. The Board may approve the increase requested, approve a modified increase or deny the Application and shall adopt a written resolution setting forth its findings and decision no later than fifteen days (15) days after the public hearing on an Application.

I. Notice of the Board's determination on an Application shall be mailed to the Mobilehome Park Owner and all affected Mobilehome Owners at the Mobilehome Spaces designated in the Application.

J. The time in which the Board must open the hearing on an Application and the time in which the Board must make any final decision may be extended with the consent of the Mobilehome Park Owner and may be extended without the consent of the Mobilehome Park Owner if the need for the extension is caused by the conduct of the Mobilehome Park Owner. In the event the Board is unable to make its decision within the time limits set forth in this Chapter, including any extensions of time consented to by the

Board's inability to make a timely decision is not due to the conduct of the Mobilehome Park Owner, or some cause beyond the Board's control, such as, but not limited to, fire, earthquake or flood, the Board shall at the time it grants any rent increase based on this Section, grant a temporary additional rent increase to the Mobilehome Park Owner to compensate for the difference between the rental income received between the time when an increase should have been granted pursuant to the time limits set forth in this Chapter and the rental income that would have been received if the increase had been timely granted.

K. The determination of the Board shall be final.

9.48.130 Mobilehome Park Rental Review Board.

A. The Mobilehome Park Rental Review Board ("Board") is hereby established and shall consist of five (5) members. In order to provide varied and balanced backgrounds, one (1) member shall be a Mobilehome Owner, one (1) member shall be a Mobilehome Park Owner and three (3) members shall be At Large Members, who shall be residents of the City who are not Mobilehome Owners, Mobilehome Park Owners, property managers or tenants in multifamily housing. There shall also be five (5) Alternate Members; one (1) Alternate shall be a Mobilehome Owner, one (1) Alternate shall be a Mobilehome Park Owner and three (3) Alternates shall be At Large. The terms of the Board Members shall be two (2) years and a Board Member shall continue to serve until a successor has been appointed. The terms of the Board Members appointed following adoption of the ordinance codified in this Chapter shall expire two (2) years after their respective appointment dates.

All Board Members and Alternate Board Members shall be appointed in the manner set forth by resolution of the City Council and shall serve at the will of the City Council. The tenure of any Board Member and Alternate shall be terminable at will, and without cause, on the motion of any member of the Council, duly seconded, and with the approval of a majority of the entire City Council present. If a vacancy occurs in a Board Member or Alternate Board Member position, an appointment shall be made in the manner set forth by resolution of the City Council. Each Board Member or Alternate shall continue to serve until a successor has been appointed and has qualified unless the City Council declares the position to be vacant. All appointments shall be made in an open meeting of the City Council.

An Alternate shall serve on the Board in the absence of a Board Member. The Alternate to be called first, if available, shall have the same qualification as to home ownership or park ownership as the absent Board Member. If the Alternate Member with the same qualifications as the absent Member should be unavailable, an At Large Alternate shall be called on to serve in place of the absent Member. A Mobilehome Owner Alternate shall not serve in place of a Mobilehome Park Owner Member and a Mobilehome Park Owner Alternate shall not serve in place of a Mobilehome Owner Member.

B. If a member of the Board is absent from three (3) successive regular meetings without being excused by the Board or is absent for any reason for more than six (6) regular meetings in any twelve (12) month period, the office of such member shall be vacated and the Chair shall immediately notify the City Manager, who shall notify the City Council that

said office is vacant. Upon such notification, a successor for the remainder of the term of such member shall be appointed in the manner set forth by resolution of the City Council with the approval of a majority of the entire City Council present.

C. The Board shall establish the time of any hearings or meetings held pursuant to this Chapter and such hearings or meetings shall be held in the City Hall as often as the Board determines to be necessary to discharge its duties hereunder.

D. The Board shall elect one (1) of its members as the Chair and one (1) as Chair Pro Tem and said election shall be held as soon as practicable after each new term commences or new appointments are made to the majority of the Board Member positions. Three (3) Board Members, counting any Alternate serving in the absence of a Board Member, shall constitute a quorum. The decisions of the Board shall be made by a majority vote, provided however, that if there are not an equal number of Mobilehome Owner Members and Mobilehome Park Owner Members, then a two-thirds (2/3) vote, and in no case less than three (3) affirmative votes, shall be required to reach a decision on a rent increase or rent adjustment Application.

E. The duties and responsibilities of the Board shall include the following:

1. The Board shall make any recommendations to the City Council the Board deems appropriate regarding the implementation and enforcement of the provisions of this Chapter.

2. The Board shall hear and determine rent adjustment Applications seeking either an adjustment for Capital Improvement expenditures incurred and/or for an adjustment to assure a Mobilehome Park Owner a "fair return" as that term is defined by law, and determine whether to approve, modify or disapprove such a rent adjustment pursuant to the procedures set forth in this Chapter.

3. The Board shall implement Sections 65863.7-65863.8 and 66427.4-66427.5 of the California Government Code which address Mobilehome Park closures, conversions and change of use pursuant to the procedures set for in Section 9.48.190.

4. Each Board Member or Alternate of the Mobilehome Park Rental Review Board shall receive compensation, at a rate to be established by resolution of the City Council, for each meeting of the Mobilehome Park Rental Review Board attended by such Board Member or Alternate.

9.48.140 Retaliatory Eviction and Anti-Harassment.

A. No Mobilehome Park Owner, or any person acting as a principal or agent, offering a Mobilehome Space for Rent, or any contractor, subcontractor or employee of the Mobilehome Park Owner may retaliate against a Mobilehome Owner for the Mobilehome Owner's assertion or exercise of rights under this Chapter in any manner, including but not limited to:

1. Threatening to bring or bringing an action to recover possession of a Mobilehome Space;

2. Engaging in any form of harassment that causes a Mobilehome Owner to quit the Mobilehome Space;

3. Preventing a prospective Mobilehome Owner from freely exercising his or her legal options to choose a month-to-month Rental Agreement;
4. Decreasing Housing Services;
5. Increasing the Mobilehome Space Rent; or
6. Imposing or increasing a security deposit or any other charge payable by a Mobilehome Owner.

B. Mobilehome Owners have a right to organize an association without hindrance from the Mobilehome Park Owner to exercise the rights provided under the provisions of this Chapter.

C. In any action brought to recover possession of a Mobilehome space by a Mobilehome Park Owner, the court may consider, as grounds for judgment in favor of the Mobilehome Owner, any violation of any provision of this Chapter by the Mobilehome Park Owner.

D. A determination that the action brought to recover possession of a Mobilehome Space was brought in retaliation for the exercise of any rights conferred by this Chapter shall be grounds for judgment in favor of the Mobilehome Owner.

E. Remedies and Penalties. For purposes of this Section:

1. If any Mobilehome Park Owner or any person, acting as a principal or agent, offering a Mobilehome Space for rent, or any contractor, subcontractor, or employee of the Mobilehome Park Owner violates the terms of this Section, an aggrieved Mobilehome Owner may institute a civil action, as allowed under Section 9.48.150 (Remedies), for injunctive relief, direct money damages, and any other relief that the court deems appropriate. Such relief shall include a civil penalty of no less than Two Thousand Dollars (\$2,000), and no more than Five Thousand Dollars (\$5,000), per violation, at the discretion of the court. If the aggrieved Mobilehome Owner is older than sixty-two (62) or disable, the court may award an additional civil penalty of up to Five Thousand Dollars (\$5,000) per violation, at the discretion of the court.

2. The above remedies are not exclusive and do not preclude any Mobilehome Owner from seeking other remedies or penalties provided by applicable law. No administrative remedy need be exhausted prior to filing suit pursuant to this Section.

9.48.150 Procedures and Guidelines.

The Director of the Department, or designee, may develop and publish procedures and guidelines to aid in the implementation of this Chapter.

9.48.160 Enforcement.

The Department is authorized to take all appropriate steps it deems necessary to enforce this Chapter.

9.48.170 Administrative Fines.

A. Administrative Fines. Any Mobilehome Park Owner or Mobilehome Owner who violated any provision of this Chapter, or Department's procedures and guidelines is subject to an administrative fine not to exceed One Thousand Dollars (\$1,000).

B. Remedies are Cumulative. Each day that a violation continues shall constitute a separate and distinct offense. The remedies set forth in this Section are cumulative and in addition to any other penalty provided by law, including any remedies which may be sought in a civil action. The provisions of this Chapter shall not be construed as limiting any party's right to obtain relief to which he or she may be entitled at law or in equity.

C. Notices of Violation and Administrative Fine. If the Department determines that a Mobilehome Park Owner or Mobilehome Owner has violated this Chapter, or Department's procedures and guidelines, the Department may issue Notices of Violation and Administrative Fine.

9.48.180 Remedies.

A. Civil Liabilities. Any Mobilehome Owner or any other person or entity acting on behalf of the Mobilehome Owner who will fairly and adequately represent Mobilehome Owner's interest, including the City, is authorized to bring a civil action and/or proceeding in a court of competent jurisdiction for violation of this Chapter for civil penalties, injunctive, declaratory and other equitable relief, restitution and reasonable attorney's fees and costs, and may take such other steps as necessary to enforce this Chapter. The court may award reasonable attorney's fees and costs to a Mobilehome Park Owner who prevails in any such action if the court determines that the Mobilehome Owner's action was frivolous.

B. Code of Civil Procedure Section 1094.6 is applicable to decisions of the Mobilehome Park Rental Review Board granting or denying rent increase applications and no legal challenge to any such decision of the Board may be brought unless it is filed within ninety (90) days of the Board's final decision, as set forth in its written resolution making findings. The Board's resolution granting or denying the increase shall state that the time within which judicial review must be sought governed by Code of Civil Procedure Section 1094.6 and a copy of the resolution, including a certificate of mailing, shall be sent to the applicant, and to a representative of the residents of the affected mobilehome park, if one has been designated, by first class mail.

C. Civil Penalty. Any person violating any of the provisions or failing to comply with any of the requirements of this Chapter, may be liable for a civil penalty, not to exceed One Thousand Dollars (\$1,000) for each violation, except as allowed in Section 9.48.170.

D. Criminal Penalty. Any person violating any of the provisions or failing to comply with any of the requirements of this Chapter, shall be guilty of a misdemeanor and

punished by a fine of not more than One Thousand Dollars (\$1,000), or by imprisonment for a period of not more than six (6) months, or by both.

E. Each violation of any provision of this Chapter, and each day during which any such violation is committed, permitted or continues, shall constitute a separate offense.

F. The above remedies are not exclusive and do not preclude the City or any Mobilehome Owner from seeking other remedies or penalties provided by applicable law.

9.48.190 Mobilehome Park Closure, Conversion or Change of Use – Relocation Impact Reports.

A. Statement of Purpose. The purpose of this Section is to implement Sections 65863.7-65863.8 and 66427.4-66427.5 of the California Government Code, which require a person or entity proposing to convert, close or cease the use of a Mobilehome Park to address the impact on the Mobilehome Owners to be displaced, and, where required, to take steps to mitigate the adverse impacts on the Mobilehome Owners.

B. Definitions. For purposes of this Section, the following definitions shall apply in addition to the definitions set forth in Section 9.48.020.

1. "Applicant" means any person or entity seeking approval of a Mobilehome Park Closure, Conversion or Change of Use, or a Mobilehome Park Owner whose Mobilehome Park has been determined to be undergoing conversion due to reduced occupancy.

2. "Closure, Conversion or Change of Use" means changing the use of a Mobilehome Park such that it no longer contains occupied Mobilehomes, as described in and regulated by California Government Code section 66427.4.

a. A "Closure" includes ceasing to Rent Mobilehome Spaces for human habitation and displacement of Residents, or when 25 percent or more of the Mobilehome Spaces within a Mobilehome Park become vacant.

b. "Conversion" means the conversion of a Mobilehome Park composed of rental spaces to a condominium or common interest development, as described in and/or regulated by California Government Code section 66427.5 and/or section 66428.1.

c. "Change of Use" has the meaning set forth in California Civil Code section 798.10 and means the use of the Mobilehome Park for a purpose other than the rental, or the holding out for Rent, of two or more Mobilehome Spaces to accommodate Mobilehomes used for human habitation, and does not mean the adoption, amendment or repeal of a Mobilehome Park rule or regulation. A "Change of Use" may affect an entire Mobilehome Park or any portion thereof, and includes, but is not limited to, a change of the Mobilehome Park or any portion thereof to a condominium, stock cooperative, planned unit development or any form of ownership wherein Mobilehome Spaces within the Mobilehome Park are to be sold.

3. "Comparable Housing" means housing that meets the minimum standards of the California Building Code, and that is similar to the subject Mobilehome in term of rent, size, number of bedrooms and bathrooms, and other relevant factors

such as location and proximity to the Resident's place of employment, amenities, schools and public transportation.

4. "Comparable Mobilehome" means a Mobilehome that is similar in size, age, condition, number of bedrooms and amenities to the Mobilehome that is being displaced by Closure, Conversion or Change of Use of the Mobilehome Park.

5. "Relocation Impact Report" means a written report meeting the requirements of this Section and that describes: (1) the impacts of the Closure, Conversion or Change of Use of the Mobilehome Park on affected Residents, and (2) the measures that will be taken to mitigate adverse impacts of such Closure, Conversion or Change of Use on affected Residents.

6. "Relocation Specialist" means the Department-approved individual or firm retained by the Applicant, as required by this Chapter, to assist in the preparation of the Relocation Impact Report and to provide the support described herein to eligible Residents. The Relocation Specialist shall be familiar with region's housing market and qualified to assist Residents to evaluate, select, and secure placement in Comparable Housing, to arrange the moving of all the Resident's personal property, and to render financial advice on qualifying for various housing types.

7. "Resident" means a Mobilehome Owner and/or other person legally residing in a Mobilehome Park whose Mobilehome was located in a Mobilehome Park on the date of issuance of a Notice of Intent to apply for an application for Closure, Conversion or Change of Use of the Mobilehome Park. Residents includes the spouse, parents, children, and grandchildren of the Resident who reside in the Mobilehome in the Mobilehome Space on the date of the application.

C. Notice of Intent of Closure, Conversion or Change of Use of Mobilehome Park.

1. Notice of Intent. Applicant shall provide each Resident a written Notice of Intent of Closure, Conversion or Change of Use of Mobilehome Park at least one hundred twenty (120) days prior to a Relocation Impact Report being filed with the Department. Proof of service of the Notice of Intent on the Residents, via personal service or certified mail return receipt requested, must be provided to the Department on a form approved by the Department, within ten (10) days of providing each Resident a Notice of Intent. A Notice of Intent provided to each Resident does not relieve a Resident from his or her obligation to pay Rent.

2. Notice to Prospective Residents. When an application for a Conversion or Change of Use of Mobilehome Park has been filed with the City or the Mobilehome Park has been determined to be undergoing Closure, the Applicant shall advise each prospective new Resident who proposes to occupy a Mobilehome within such Mobilehome Park, in writing, prior to the execution of a Rental Agreement or commencement of such occupancy whichever occurs first, that such application has been filed or Closure determined, and that the prospective new Resident may not be entitled to any relocation assistance under this Section.

D. Relocation Assistance. As a condition of a Mobilehome Park Closure, Conversion or Change of Use, an Applicant shall be required to employ a Relocation Specialist and provide relocation assistance to Residents in an amount not to exceed the reasonable costs of relocation. The minimum relocation assistance required shall be determined based on the Department's procedures and guidelines.

1. Eligibility for Relocation Assistance. A Resident who has received a Notice of Intent from the Applicant is entitled to relocation assistance.

2. Protections.

a. No Applicant shall require any Resident to waive his or her rights to relocation assistance as a condition of renting a Mobilehome Space in the Mobilehome Park.

b. Residents who are eligible for relocation assistance shall be entitled to the assistance required by the Department, consistent with this Section, as a condition of Closure, Conversion or Change of Use even if they move out of the Mobilehome Park before a final determination on the Relocation Impact Report.

3. Reasonable Cost of Relocation. Reasonable cost of relocation includes a moving allowance and other applicable types of relocation assistance based on the Relocation Impact Report and set forth in this Section and the Department's procedures and guidelines.

E. Relocation Impact Report. The Relocation Impact Report shall be in compliance with this Section and set forth the impact of the Closure, Conversion or Change of Use upon the Residents who will be displaced.

1. Timing for Filing Relocation Impact Report. A Relocation Impact Report, prepared by an Applicant or Relocation Specialist, must be filed with the Department within one hundred twenty (120) days of Applicant providing a Notice of Intent to the Residents. Applicant must use a Relocation Specialist to assist Residents as required by this Section and the Department's procedures and guidelines.

2. No Closure, Conversion, or Change of Use Until Approval of Relocation Impact Report. No Applicant shall cause or permit the filing of an application for Closure, Conversion or Change of Use with the City's Department and/or permit the Closure, Conversion or Change of Use of a Mobilehome Park until the Relocation Impact Report has been reviewed and approved, which will enable each displaced Resident to relocate into Comparable Housing.

3. Contents of Relocation Impact Report. A Relocation Impact Report shall contain the following information:

a. Resident Information.

(i) The names and address of all Residents within the Mobilehome Park;

(ii) The total number of Residents, categorized on a space-by-space basis identifying the following categories:

(a) If the Residents are owners or renters of the Mobilehome;

(b) Residents under the age of eighteen (18);

(c) Residents who are physically disabled, including the chronically ill;

(d) Residents who are sixty-two (62) years of age or older.

b. Converting Mobilehome Park Information.

(i) A legal description of the property;

(ii) The age of the Mobilehome Park;

(iii) The proposed schedule for Closure, Conversion or Change of Use of the Mobilehome Park;

(iv) A description of any proposed new use for the Mobilehome Park, including the approximate number of proposed residential units, if any;

(v) The number of Mobilehomes existing in the Mobilehome Park, length of occupancy by the current Resident of each Mobilehome Space, and the current Rent for each Mobilehome Space;

(vi) A site plan of the Mobilehome Park showing all Mobilehome Spaces within the Mobilehome Park, identified by number.

c. Comparable Housing Information.

(i) Applicant shall provide information regarding the availability of Comparable Housing.

(ii) Each Comparable Housing shall be identified by: (A) name and address; (B) age; (C) lease or rental rates; (D) terms, policies, and restrictions on the types of homes and residents accepted; an estimate of number of replacement spaces within each Mobilehome Park as of the date of survey.

d. Relocation Assistance Information. The Applicant shall state how relocation assistance will be implemented to comply with this Section. The Relocation Impact Report shall include the following:

(i) Applicant's procedure to accommodate the Residents or Mobilehomes that are not able to relocate and the specific relocation assistance and options available to each Resident;

(ii) Identification of the Relocation Specialist assisting the Residents in finding and moving to Comparable Housing;

(iii) The specific relocation assistance and options proposed shall be provided to each Resident by certified or registered mail at least fifteen (15) days prior to filing the Relocation Impact Report with the Department. Proof of service via personal service or certified mail return receipt requested of the specific relocation assistance and options proposed to the Residents of the Mobilehome Park must be provided to the Department at the time of filing of the Relocation Impact Report;

(iv) Proposed measures to mitigate the adverse impacts of the Mobilehome Park Closure, Conversion or Change of Use on the Residents in the Mobilehome Park;

(v) An appraisal if a displaced Resident cannot obtain Comparable Housing in another Mobilehome Park, in compliance of Government Code section 65863.7.

e. Any other information and mitigation measures as the Department shall deem necessary, as set forth in its procedures and guidelines.

4. Failure to Prepare Relocation Impact Report.

a. The failure of an Applicant to prepare a complete Relocation Impact Report within the time required pursuant to this Section is hereby determined to have a severely adverse economic effect on Residents due to the delay in providing necessary relocation assistance which would result from such failure. Such failure is hereby determined to be a public nuisance.

b. If the Applicant fails to prepare or cause to be prepared a Relocation Impact Report within such required time, the Department shall cause such Relocation Impact Report to be prepared at the expense of the Applicant. Failure of the

Applicant to reimburse the City for such cost within thirty (30) days of receipt of such statement, may resulting in potential fines and penalties assessed against the Applicant.

F. Hearing and Notice.

1. Department Review of the Relocation Impact Report. The Mobilehome Review Board shall not be required to take any action to hold public hearings to consider a Relocation Impact Report until the Department has had a reasonable time, not to exceed thirty (30) days, within which to verify that the Relocation Impact Report is complete and contains all of the information required by this Section. If the Department determines that the Relocation Impact Report does not contain all the information required by this Section, it shall set forth in writing the specific deficiencies.

2. Setting of Hearing. The Department will deem a Relocation Impact Report complete and shall set a time, date, and place for hearing to take place not less than sixty (60) days after the date the Department determines the Relocation Impact Report is complete and upon Applicant payment of any applicable fees in accordance with this Section and the Department's procedures and guidelines. The secretary of the Mobilehome Review Board or Department staff may give such additional notice as it deems necessary or desirable. Such time may be extended to the extent necessary to comply with any State regulations, including the California Environmental Quality Act.

3. Notice of Hearing. The Department shall provide Applicant a Notice of Hearing containing a general explanation of the matters to be considered by the Mobilehome Review Board and any other information as the Department shall deem necessary, as set forth in the procedures and guidelines.

a. Applicant shall furnish a written Notice of Hearing to each Resident proposed to be displaced in the Mobilehome Park at least sixty (60) days prior to the hearing informing Residents that the Applicant will appear at the Oversight Party for review and approval of a Relocation Impact Report.

b. Applicant shall provide a copy of the Relocation Impact Report to each Resident proposed to be displaced in the Mobilehome Park, which shall include the appraisal of the Mobilehome owned or resided in by that Resident. Applicant, at his or her expense, must provide the Relocation Impact Report in English and the language in which the Rental Agreement was negotiated or written.

c. Applicant must provide a proof of service, on a form approved by the Department, of the Notice of Hearing sent to each Resident within ten (10) days of the hearing before the Mobilehome Review Board.

d. The Mobilehome Review Board shall not hold any hearing on the Relocation Impact Report or render a decision thereon before the Applicant has satisfactorily verified that the Residents have been notified as required by State and this Chapter.

e. The Applicant shall pay all costs associated with providing notices, including any publishing and postage expenses and translation expenses.

G. Findings and Decision.

1. The Mobilehome Review Board shall conduct a hearing to review the Relocation Impact Report at the noticed date and time. The Mobilehome Review Board may consider all relevant evidence presented at the hearing and shall render its findings and decision within thirty (30) days therefrom. The secretary of the Mobilehome Review

Board or Department staff assigned by the Director shall mail the Mobilehome Review Board's decision within ten (10) days after it is rendered to the Applicant, Residents and to all persons who have filed a written request for notification. The decision of the Mobilehome Review Board shall be final and not subject to further review by the City.

2. The Mobilehome Review Board shall approve, conditionally approve or disapprove a Relocation Impact Report. The Mobilehome Review Board shall approve the Relocation Impact Report if it finds that the Relocation Impact Report has satisfactorily addressed the following:

a. The Relocation Impact Report contains the information required pursuant to the County's procedures and guidelines and Sections 65863.7 and 66427.4-66427.5 of the California Government Code, as applicable;

b. The Applicant has complied with all applicable notice requirements as provided for by State Law and by this Section and each Resident has had adequate notification of the Relocation Impact Report;

c. The Relocation Impact Report accurately represents the total costs associated with the relocation of each Resident;

d. Each Resident will receive the reasonable costs of relocation from Applicant consistent with State law, this Section and the Department's procedures and guidelines; and

e. Whether approval of the Mobilehome Park Closure, Conversion or Change of Use and the Mobilehome Park's Conversion into its intended new use, taking into consideration both the Relocation Impact Report as a whole and the overall housing availability within the City, will result in or materially contribute to a shortage of housing opportunities and choices for low- and moderate-income households within the City.

3. In approving the Relocation Impact Report, the Mobilehome Review Board may require the imposition of such conditions as it finds necessary to mitigate the adverse impacts on the Residents to find Comparable Housing.

4. Extensions. Any of the time limits specified in this Section may be extended by mutual consent of Applicant and the Mobilehome Review Board.

5. No person shall cause or permit the Mobilehome Park Closure, Conversion or Change of Use until the Relocation Impact Report has been approved by the Mobilehome Review Board and the specified mitigation measures have been completed.

H. Performance of Mitigation Measures. The Applicant shall fully perform the mitigation measures set forth in, and the conditions imposed in connection with, the approved Relocation Impact Report and such performance shall be a condition of approval of any concurrent or subsequent development application proposing an alternate or replacement use of the Mobilehome Park. No Resident or person shall be required to remove his or her Mobilehome and no Resident shall be required to vacate a Mobilehome Park until all of the following conditions have been satisfied:

1. The Mobilehome Review Board approval of the Relocation Impact Report;

2. The Applicant has given six (6) months or more notice of termination of tenancy as required by California Civil Code section 798.56(g) and that at least a six-month period has elapsed.

3. Each Resident has received the reasonable costs of relocation from the Applicant as required by the Mobilehome Review Board and pursuant to California Government Code section 65863.7(e); and

4. Such performance has been verified by the Department.

I. Modification of Relocation Impact Report.

1. The Mobilehome Review Board may, upon request of Applicant, modify the provisions of an approved Relocation Impact Report. A modification may be approved where the Mobilehome Review Board finds that there has been a change in circumstances, or there is new information that could not have reasonably been known or considered at the time of the original hearing approving the Relocation Impact Report.

2. The Mobilehome Review Board may impose additional conditions as deemed necessary to mitigate any adverse impacts resulting from a modification of an approved Relocation Impact Report.

J. Nullification of Approved Relocation Impact Report.

1. The Mobilehome Review Board, upon request of the Department and after holding a public hearing, may nullify an approved Relocation Impact Report. No nullification shall be ordered unless the Mobilehome Review Board makes either of the following findings:

a. Approval of the Relocation Impact Report was obtained fraudulently;

b. The Applicant has failed to comply with the mitigation measures set forth in, or the conditions imposed in connection with, the approved Relocation Impact Report.

2. If an approved Relocation Impact Report is nullified, then the Applicant shall not be entitled to perform the Closure, Conversion or Change of Use of the Mobilehome Park until a new Relocation Impact Report is approved in accordance with this Section.

K. Evictions Pending Compliance with Relocation Impact Report. Termination of a Tenancy of any Mobilehome Owner pursuant to California Civil Code section 798.56 or any other provision of law shall not relieve Applicant of its obligation to comply with the conditions or requirements of the Relocation Impact Report applicable to that Applicant. However, if the termination of tenancy is based on subdivisions (a), (b), (c), (d) or (e) of Section 798.56 of the California Civil Code, the Mobilehome Review Board, upon request by Applicant, may grant the Applicant's extensions of time within which to comply with the conditions of the Relocation Impact Report.

L. Remedies.

1. The failure of an Applicant to comply with this Section or with any condition of the Relocation Impact Report shall be defense in any action to terminate tenancy under subdivision (f) of Section 798.56 of the California Civil Code.

2. Violation of any valid condition of a Relocation Impact Report imposed by the Mobilehome Review Board pursuant to this Chapter shall be subject to the remedies and penalties set forth in Sections 9.48.150 and 9.48.160.

M. Effective Date. The provisions of this Section shall apply to any judgment. Accordingly, any affirmative defenses to an unlawful detainer proceeding created or modified by this Section shall apply to any such proceeding not reduced to final judgment, as of the effective date of this Section.

SECTION 3. The City Council find that this Ordinance is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060 (c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060 (c) (3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

SECTION 4. Any provision of the City of Pico Rivera's Municipal Code inconsistent with the provisions of this Ordinance, to the extent of such inconsistency and no further, is hereby repealed or modified to the extent necessary to affect the provisions of this Ordinance.

SECTION 5. If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance, or any part thereof is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or any part thereof. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase thereof, irrespective of the fact that any one or more section, subsection, subdivision, paragraph, sentence, clause, or phrase would be subsequently declared invalid or unconstitutional.

SECTION 6. The City Clerk shall certify to the passage and adoption of this ordinance. The City Council hereby finds and determines that there are no newspapers of general circulation both published and circulated within the City and, in compliance with Section 36933 of the Government Code directs the City Clerk to cause said ordinance, within fifteen (15) days after its passage, to be posted in at least five (5) public places within the City. This ordinance shall take effect thirty (30) days after its adoption.

APPROVED AND ADOPTED this 25th day of January 2024.

[Signatures on next page]

Andrew Lara, Mayor

ATTEST:

APPROVED AS TO FORM:

Cynthia Ayala, City Clerk

Arnold M. Alvarez-Glasman,
City Attorney

STATE OF CALIFORNIA)
)§
COUNTY OF LOS ANGELES)

I, Cynthia Ayala, City Clerk of the City of Pico Rivera do hereby certify that the foregoing Ordinance No. _____ was adopted at a regular meeting of the City Council of the City of Pico Rivera, held on Tuesday, December 10, 2024, with the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Cynthia Ayala, City Clerk