



COUNTY OF HUMBOLDT

AGENDA ITEM NO.  
**H-3**

For the meeting of: August 9, 2016

Date: July 20, 2016  
To: Board of Supervisors  
From: Kelly E. Sanders, Clerk, Recorder, Registrar of Voters *KS.*  
Subject: Certification of Petition, Mobile Home Park Space Rent Stabilization

RECOMMENDATION(S):

That the Board of Supervisors:

1. Accept the Certification of Results of the Mobile Home Park Space Rent Stabilization Initiative Petition, and
2. Take action pursuant to Election Code §9118.

SOURCE OF FUNDING:

General fund.

DISCUSSION:

The proponents of the initiative, the Humboldt Mobile Home Coalition, submitted 5,347 signatures in support of their proposed measure, "Mobile Home Park Space Rent Stabilization." The Office of Elections checked all the signatures submitted. It was found that there were 4,244 valid signatures, more than the 3,715 necessary to bring the initiative forward.

Prepared by Judi Hedgpeth CAO Approval *Cheryl D. Meyers*

REVIEW: Auditor \_\_\_\_\_ County Counsel \_\_\_\_\_ Personnel \_\_\_\_\_ Risk Manager \_\_\_\_\_ Other \_\_\_\_\_

TYPE OF ITEM:  
 Consent  
 Departmental  
 Public Hearing  
 Other \_\_\_\_\_

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT  
Upon motion of Supervisor \_\_\_\_\_ Seconded by Supervisor \_\_\_\_\_

Ayes  
Nays  
Abstain  
Absent

**SEE ACTION SUMMARY**

PREVIOUS ACTION/REFERRAL:

Board Order No. \_\_\_\_\_  
Meeting of: \_\_\_\_\_

and carried by those members present, the Board hereby approves the recommended action contained in this Board report.

Dated: \_\_\_\_\_  
By: \_\_\_\_\_  
Kathy Hayes, Clerk of the Board

Because the number of valid signatures has met the 10% threshold and pursuant to Elections Code §9118, the Board of Supervisors shall do one of the following:

- (a) Adopt the ordinance without alteration at the regular meeting at which the certification of the petition is presented, or within 10 days after it is presented.
- (b) Submit the ordinance, without alteration, to the voters pursuant to Elections Code §1405.
- (c) Order a report pursuant to Elections Code §9111 at the regular meeting at which the certification of the petition is presented. When the report is presented to the board of supervisors, it shall either adopt the ordinance within 10 days, or order an election pursuant to subdivision (b).

FINANCIAL IMPACT:

If an election is ordered pursuant to Elections Code §9118(b), the cost would be approximately \$12,000. If there is sufficient funding in the 2016/2017 budget to cover this cost, a supplemental budget request will be made at a later date.

OTHER AGENCY INVOLVEMENT: None.

ALTERNATIVES TO STAFF RECOMMENDATIONS: Board's discretion.

ATTACHMENTS:

Signature Verification Certificate  
Copy of Mobile Home Rent Stabilization Ordinance



# Petition Result Breakdown

JUL 18 2016

Mobile Home Park Space Rent Stabilization Ordinance  
Mobile Home Rent Stabilization

<b>Signatures Required</b>	<b>500</b>		
<b>Raw Count</b>	<b>5,347</b>		
<b>Sample Size</b>	<b>5,347</b>		
<b>Sigs Checked</b>	<b>5,347</b>	<i>Percent of Sigs Checked</i>	<i>Percent of Sample Size</i>
<b>Sigs Not Checked</b>	<b>0</b>		0.0 %
<b>Sigs Valid</b>	<b>4,244</b>	79.4 %	79.4 %
<b>Sigs Invalid</b>	<b>1,103</b>	20.6 %	20.6 %
Duplicated	124	2.0 %	2.3 %
Non-duplicate Invalids	979	18.0 %	18.3 %

RESULT ABBR	RESULT DESCRIPTION		
Approved	Approved	4,244	79.4 %
NotReg	Not Registered	355	6.6 %
OutOfDist	Out of District	9	0.2 %
Duplicate	Signed more than once	124	2.3 %
RegLate	Registered Late	3	0.1 %
RegDiffAdd	Registered at a Different Address	315	5.9 %
CantIdentfy	Cannot Identify	16	0.3 %
Declncmp	Declaration Incomplete	5	0.1 %
NoResAdd	No Residence Address Given	101	1.9 %
NoSig	No Signature	2	0.0 %
PrintedSig	Printed Signature	3	0.1 %
SigNoMatch	Signatures Don't Match	170	3.2 %

**The People of the County of Humboldt do ordain as follows:**

That the following Ordinance be adopted and added to the Humboldt County Code as Division 10 of Article IX:

**TITLE IX – PUBLIC PEACE, SAFETY AND WELFARE**

**Division 10**

**MOBILE HOME RENT STABILIZATION**

**Chapter 1 – Humboldt County Mobile Home Rent Stabilization Ordinance**

- 9101-1 Purpose.
- 9101-2 Findings.
- 9101-3 Definitions.
- 9101-4 Applicability of Chapter.
- 9101-5 Exemptions.
- 9101-6 Permissible rent increases.
- 9101-7 Automatic annual increases based on increases in Consumer Price Index.
- 9101-8 Allowable rent following the expiration of an exempt lease.
- 9101-9 Allowable rent increases upon in-place transfers of mobile home ownership.
- 9101-10 Fair return standard.
- 9101-11 Procedures for review of fair return petitions.
- 9101-12 Rent increases for new capital improvements.
- 9101-13 Rent reductions for service reductions.
- 9101-14 Waivers.
- 9101-15 Information to be supplied by park owner to tenants and prospective tenants.
- 9101-16 Information to be provided by the County to the public.
- 9101-17 Resident representatives.
- 9101-18 Rights of prospective tenants.
- 9101-19 Annual registration and other notices required from park owner.
- 9101-20 Retaliation prohibited.
- 9101-21 Excessive rents or demands therefor.
- 9101-22 Excessive rents—Civil penalties.
- 9101-23 Rules and guidelines.
- 9101-24 Authority of County to bring civil action to compel compliance.
- 9101-25 Administrative service fees.
- 9101-26 Appeal of decisions
- 9101-27 Severability

**9101-1 PURPOSE**

It is the purpose of this Chapter to:

1. Prevent excessive and unreasonable increases in mobile home park space rents.
2. Prevent exploitation of the shortage of available mobile home park spaces in the County and neighboring areas.
3. Enable mobile home owners to preserve the equity in their mobile homes.
4. Permit mobile home park owners to receive a fair return.
5. Help preserve affordable mobile home space rents within the County.

## **9101-2 FINDINGS**

A. There are some 42 mobile home parks with a total of 1,095 spaces located within the unincorporated areas of the County, comprising nine percent (9%) of the housing units in the County. This is more than double the State average of four percent (4%).

B. Humboldt County General Plan Chapter 8 Housing Element provides for the following goals:

1. To have “[a]n adequate supply of all types of affordable housing for all income levels in all areas of the county, including urban, suburban, rural, hamlet and remote areas.” [Humboldt County Housing Element Chapter 8.4 (H-G2)]
2. To have “[s]ufficient and affordable housing opportunities for seniors, disabled persons, homeless, nomadic, single-parent households, farm workers and large families.” [Humboldt County Housing Element Chapter 8.4 (H-G5)]

C. Humboldt County General Plan Chapter 8 Housing Element provides for the following policy: “The County shall support continuation of existing mobile home and long term occupancy recreational vehicle parks as an important source of affordable housing.” [Humboldt County Housing Element Chapter 8.4 (H-P18)]

D. Humboldt County General Plan Chapter 8 Housing Element provides for the following implementation measure: “The County shall support continuation of existing mobile home and long term occupancy vehicle parks through actions such as legislative changes...” [Humboldt County Housing Element Chapter 8.4 (IM-35)]

E. During recent years, rent increases in Humboldt County mobile home parks have substantially exceeded the percentage increase in the Consumer Price Index (CPI).

F. As a practical matter, the mobile homes in the County’s mobile home parks are “immobile” homes. A large percentage of the mobile homes were manufactured before 2000. Very few mobile home parks in the area will accept mobile homes that are more than a few years old. The cost of moving and setting up a mobile home in a park is substantial. About half of the mobile homes are “doublewide” structures that consist of two (2) ten- or twelve-foot-wide sections joined together when installed on top of a simple foundation. Mobile homes are rarely moved

after they are placed in mobile home parks. When mobile home park residents move they sell their mobile homes “in place” on the rented space.

Special characteristics of mobile home park tenancies generally include the following:

1. The “historical” investments of the mobile home owner (tenants) in mobile homes in mobile home parks generally exceed those of the landlord park owners.

2. Physical relocation of mobile homes is costly.

3. Relocation is practically impossible because there are virtually no vacant spaces in mobile home parks.

4. Park owners generally will not permit older mobile homes to be moved into their parks when they do have vacant spaces for rent.

5. The supply of mobile home park spaces in California is either frozen or declining. Mobile home park construction in California virtually ceased by the early 1980’s as alternative land uses became more profitable and land use policies continually tightened restrictions on the construction of new mobile home parks.

6. The investments of mobile home park residents in their mobile homes are “sunk” costs. The benefits of these investments can only be realized by continuing occupancy or by an “in-place” sale of the mobile home.

G. Court opinions and academic reviews have repeatedly noted the captive nature of mobile home park tenancies. In 2001, the California Supreme Court concluded:

**“THE MOBILEHOME OWNER/MOBILEHOME PARK OWNER RELATIONSHIP:**

This case concerns the application of a mobilehome rent control ordinance, and some background on the unique situation of the mobilehome owner in his or her relationship to the mobilehome park owner may be useful. ‘The term ‘mobilehome’ is somewhat misleading. Mobile homes are largely immobile as a practical matter, because the cost of moving one is often a significant fraction of the value of the mobile home itself. They are generally placed permanently in parks; once in place, only about 1 in every 100 mobile homes is ever moved. [Citation.] A mobile home owner typically rents a plot of land, called a ‘pad,’ from the owner of a mobile home park. The park owner provides private roads within the park, common facilities such as washing machines or a swimming pool, and often utilities. The mobile home owner often invests in site-specific improvements such as a driveway, steps, walkways, porches, or landscaping. When the mobile homeowner wishes to move, the mobile home is usually sold in place, and the purchaser continues to rent the pad on which the mobile home is located.’ (Yee v. Escondido (1992) 503 U.S. 519, 523, 112 S.Ct. 1522, 118 L.Ed.2d 153.) Thus, unlike the usual tenant, the mobilehome owner generally makes a substantial investment in the home and its appurtenances—typically a greater investment in his or her space than the mobilehome park owner. [cite omitted] The immobility of the mobilehome, the investment of the mobilehome owner, and restriction on mobilehome spaces, has sometimes led to what has been perceived as an economic imbalance of power in favor of mobilehome park owners.” (Galland v. Clovis, 24 Cal.4th 1003, 1009 (2001)).

The Florida Supreme Court concluded that mobile home owners face an “absence of meaningful

choice” when space rents increase: “Where a rent increase by a park owner is a unilateral act, imposed across the board on all tenants and imposed after the initial rental agreement has been entered into, park residents have little choice but to accept the increase. They must accept it or, in many cases, sell their homes or undertake the considerable expense and burden of uprooting and moving. The “absence of meaningful choice” for these residents, who find the rent increased after their mobile homes have become affixed to the land, serves to meet the class action requirement of procedural unconscionability.” *Lanca Homeowners, Inc. v. Lantana Cascade of Palm Beach, Ltd.*, 541 So. 2d 1121, 1124 (Fla.), cert. denied, 493.

H. In response to the special situation of mobile home park residents, California has adopted landlord-tenant laws which provide special protections for mobile home park tenants. (California Civil Code Section 798.) In addition, approximately ninety (90) jurisdictions in California have adopted some type of rent control of mobile home park spaces. Typically the rent control ordinances tie annual allowable rent increases to the percentage increase in the Consumer Price Index (CPI)—All Items. Most such ordinances do not permit additional rent increases (vacancy decontrol) or limit rent increases to ten percent (10%) or less when a mobile home is sold “in place”. Under all ordinances, park owners are entitled to petition for additional rent increases in order to obtain a fair return.

I. Many of the mobile home owner households have “very low” income. In 2008, the income ceilings for households classified as “very low” income under federal HUD standards (fifty percent of area median income or under) are twenty-two thousand, seven hundred dollars (\$22,700.00) for one-person households and twenty-five thousand, nine hundred dollars (\$25,900.00) for two-person households. The income ceilings for households classified as “extremely low” income (thirty percent (30%) of area median income or under) are thirteen thousand, six hundred dollars (\$13,600.00) for one-person households and fifteen thousand, five hundred dollars (\$15,500.00) for two-person households. According to demographic, housing and economic data compiled by the Federal Reserve Bank of San Francisco in 2014, sixty-two percent (62%) of Humboldt County renters spend more than thirty percent (30%) of their income on rent, making them “cost-burdened renters.” Sixteen percent (16%) of Humboldt County residents have a disability, and all but one city within the County had median income below the state average of \$61,400.00 as of 2012.

J. Mobile home owners, unlike apartment tenants or residents of other rental units, are in the unique position of having made a substantial investment in a residence which is located on a rented or leased parcel of land. Their investment commonly includes the purchase of the mobile home and the cost of installing the mobile home on its space along related improvements such as a foundation, carports, and integrated landscaping. Excessive rent increases may drastically reduce or eliminate mobile home owners’ equity in their mobile homes, causing mobile home owners to lose a substantial portion or all of their investments.

K. The “maintenance of net operating income” (MNOI) standard is a “fairly constructed formula,” which provides a fair return. (*Rainbow Disposal Co. v. Escondido Mobilehome Rent Review Bd.*, 64 Cal.App.4th 1159 (1998).

L. Adoption of this Chapter is not subject to the California Environmental Quality Act (CEQA) pursuant to Section 15060(c)(2)—the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment, and Section 15060(c)(3)—the activity is not a project as defined in Section 15378 of the CEQA Guidelines because it has no potential for resulting in physical change to the environment, directly or indirectly.

### 9101-3 DEFINITIONS

A. “Consumer Price Index” means the Consumer Price Index—All Items for all urban consumers for the San Francisco-Oakland-San Jose area (base year equals 1982—1984) as reported by the Bureau of Labor Statistics of the United States Department of Labor.

B. “In-place transfer” means the transfer of the ownership of a mobile home with the mobile home remaining on the mobile home lot following the transfer.

C. “Landlord” means a mobile home park owner, mobile home owner, lessor or sub lessor who receives or is entitled to receive rent for the use and occupancy of any rental unit or portion thereof, and the agent, representative or successor of any of the foregoing.

D. “Mobile home” means a structure transportable in one or more sections, designed and equipped to contain not more than one dwelling unit, to be used with or without a foundation system.

E. “Mobile home park” means any area or tract of land where two or more mobile home lots are rented or leased, or held out for rent or lease, to accommodate mobile homes used for human habitation for permanent, as opposed to transient, occupancy.

F. “Rent” means any consideration, including any bonus, benefit or gratuity, demanded or received by a landlord for or in connection with the use or occupancy, including housing services, of a rental unit or in connection with the assignment of a lease or in connection with subleasing of the rental unit.

“Rent” shall not include:

1. Utility charges for charges for sub-metered gas and electricity.
2. Charges for water, refuse disposal, sewer service, and/or other services which are either provided and charged to mobile home residents solely on a cost pass-through basis and/or are regulated by state or local law.
3. Any amount paid for the use and occupancy of a mobile home unit (as opposed to amounts paid for the use and occupancy of a mobile home space).
4. Charges for laundry services.
5. Storage charges.

G. “Rent increase” means any rent demanded or paid by a mobile home owner or mobile home tenant in excess of rent paid for the rental unit immediately prior to such demand or payment. Rent increase includes any reduction in the services provided to a mobile home resident or transfer of the cost without a corresponding reduction in the amount demanded or paid as rent.

H. “Rental agreement” means a written agreement between a landlord and a mobile home owner or mobile home tenant for the use and occupancy of a rental unit to the exclusion of others.



I. "Rental unit" means a mobile home or mobile home lot, located in a mobile home park in the County of Humboldt, which is offered or available for rent. Rental unit includes the land, with or without a mobile home, and appurtenant buildings thereto and all housing services, privileges and facilities supplied in connection with the use or occupancy of the mobile home or mobile home lot.

J. "Service reduction" means a decrease or diminution in the basic service level provided by the park since January, 2016, including but not limited to services the park owner is required to provide pursuant to:

1. California Civil Code Sections 1941.1 and 1941.2.
2. The Mobile Home Residency Law, California Civil Code Section 798 et seq.
3. The Mobile Home Parks Act, California Health and Safety Code Section 18200 et seq.
4. The landlord's implied warranty of habitability.
5. An express or implied agreement between the landlord and the resident.

#### **9101-4 APPLICABILITY OF CHAPTER**

This Chapter shall be applicable to all mobile home park spaces within the unincorporated areas of the County of Humboldt except as provided in Section 9101-5.

#### **9101-5 EXEMPTIONS FROM THIS CHAPTER**

A. The following exemptions from local rent regulations are provided by state law:

1. Spaces that are subject to a lease which exempts that space from rent regulation pursuant to the California Mobilehome Residency Law, California Civil Code Section 798 et seq.
2. New mobile home park spaces which are exempted pursuant to Civil Code Section 798.45.
3. Spaces which are not the principal residence of the mobile home owner, which can be exempt pursuant to Civil Code Section 798.21.

The purpose of this subsection is to provide information about exemptions based on state law which preempts local law, rather than to provide any basis for an exemption based on this Chapter.

B. This Chapter shall not apply to mobile homes or mobile home parks owned or operated by any governmental agency or any rental unit whose rent is subsidized pursuant to a public program that limits the rent that can be charged for the mobile home.

C. This Chapter shall not be applicable to spaces in mobile home parks with less than ten (10) spaces.

#### **9101-6 PERMISSIBLE RENT INCREASES**

No rent in excess of rent in effect on November 1, 2016, may be charged unless authorized by one of the following sections of this Chapter: Section 9101-7 (Automatic annual increases based on increases in the Consumer Price Index), Section 9101- 8 (Allowable rent following the

expiration of an exempt lease), Section 9101-9 (Allowable rent increases upon in-place transfers of mobile home ownership), Section 9101-10 (Fair return standard), or Section 9101-12 (Rent increases for new capital improvements).

#### **9101-7 AUTOMATIC ANNUAL INCREASES BASED UPON INCREASES IN THE CONSUMER PRICE INDEX (CPI)**

A. Commencing in calendar year 2017, on or after May 1st of each year the rent may be increased over the allowable rent as of May 1st of the prior year by one hundred percent (100%) of the percentage increase in the CPI last reported as of January 30th in the current year over the CPI last reported as of January 30th in the prior year. The percentage amount of said increase shall be rounded to the nearest one-quarter percent.

B. Notice of Annual Allowable Annual Rent Increase.

1. The allowable annual rent increase shall be annually calculated by the Board of Supervisors and posted by February 15th of each year in the County Building, on the County's website, and on a notice board in each mobile home park, and shall be mailed to each park owner and to the mobile home owner representative in each park.

2. Notice in Mobile Home Parks. A copy of the County's notice shall also be posted in a prominent place by each park owner in each mobile home park within three (3) work days after it is received by the park owner.

C. In the event that the CPI decreases, no rent decrease shall be required pursuant to this section. In the event that the CPI decreases by more than two percent (2%) in any year, said decrease shall be subtracted from the following annual increase(s) allowable pursuant to this section.

D. Increases authorized pursuant to this section may be implemented by the landlord at any future time, subject to the precondition that by January 30th of each year the park owner notify the mobile home owner of each increase allowed pursuant to this section which has not been implemented and notification that the banked increase may be added to the rent at a future date.

E. Compliance with State Law. Rent increases permitted pursuant to this section shall not be effective and shall not be demanded, accepted, or retained until the landlord has given the notice required by state law.

#### **9101-8 ALLOWABLE RENT FOLLOWING EXPIRATION OF AN EXEMPT LEASE**

In the event a space was previously exempt under a lease pursuant to California Civil Code Section 798.17, the base space rent, for purposes of calculating the annual adjustment, shall be the rent in effect as of the date of expiration of the lease; provided, that space rents can be verified by information required on, and/or documentation submitted with, the annual registration application.

**9101-9 ALLOWABLE RENT INCREASES UPON ‘IN PLACE’ TRANSFER OF MOBILE HOME OWNERSHIP**

- A. Subject to the limitations stated herein, upon the closure of an “in-place” sale, transfer or other conveyance of a mobile home subject to this Chapter, the park owner may increase the space rent by five (5%) percent.
- B. No rent increase may be imposed pursuant to this section when an existing mobile home owner or resident replaces an existing mobile home with another mobile home, occupying the same mobile home space.
- C. No increase may be imposed pursuant to this section where title to the mobile home passes to one or more person(s) who, at the time of the title transfer, (1) was/were also lawful, authorized resident(s) of the mobile home, or (2) were/are parents, siblings, children, nieces, or nephews of the mobile home owner and the mobile home remains in the same space.
- D. No increase may be imposed pursuant to this section if an increase was imposed pursuant to this section within the twenty-four-month (24) period preceding the most recent transaction that would otherwise justify the increase pursuant to this section.
- E. Rent increases authorized by this section shall be in addition to any other space rent increases authorized by this chapter.

**9101-10 FAIR RETURN STANDARD**

- A. **Presumption of Fair Base Year Net Operating Income.** It shall be presumed that the net operating income received by the landlord in the base year provided the park owner with a fair return.
- B. **Fair Return.** A park owner has the right to obtain a net operating income equal to the base year net operating income adjusted by one hundred percent (100%) of the percentage increase in the CPI since the base year. It shall be presumed this standard provides a fair return. The base year CPI shall be the annual average CPI for 2016. The current year CPI shall be the annual average CPI for the calendar year which is used as the current year in the application.
- C. **Base Year.**
  - 1. Except as provided in subsection (C) (2) of this section, “base year” means the 2016 calendar year.
  - 2. In the event that a determination of the allowable rent is made pursuant to this section, if a subsequent petition is filed the base year shall be the year that was considered as the “current year” in the prior petition.

D. Current Year. The current year shall be the calendar year that precedes the year in which the application is filed.

E. Adjustment of Base Year Net Operating Income. The park owner or the tenants may present evidence to rebut the presumption of fair return based upon the base year net operating income as set forth in subsection A of this section based on at least one of the following findings:

1. Exceptional Expenses in the Base Year. The park owner's operating expenses in the base year were unusually high or low in comparison to other years. In such instances, adjustments may be made in calculating operating expenses so the base year operating expenses reflect average expenses for the property over a reasonable period of time. The following factors shall be considered in making such a finding:

- a. Extraordinary amounts were expended for necessary maintenance and repairs.
- b. Maintenance and repair was below accepted standards so as to cause significant deterioration in the quality of services provided.
- c. Other expenses were unreasonably high or low notwithstanding the application of prudent business practices.

2. Exceptional Circumstances in the Base Year. The gross income during the base year was disproportionately low due to exceptional circumstances. In such instances, adjustments may be made in calculating base year gross rental income consistent with the purposes of this chapter. The following factors shall be considered in making such a finding:

- a. If the gross income during the base year was lower than it might have been because some residents were charged reduced rent.
- b. If the gross income during the base year was significantly lower than normal because of the destruction of the premises and/or temporary eviction for construction or repairs.
- c. The pattern of rent increases in the years prior to the base year and whether those increases reflected increases in the CPI.
- d. Base period rents were disproportionately low in comparison to the base period rents of other comparable parks in the County.
- e. Other exceptional circumstances.

F. Calculation of Net Operating Income.

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

2. Gross Rental Income.

a. Gross rental income shall include the following:

- i. Gross rents calculated as gross rental income at one hundred percent (100%) occupancy, adjusted for uncollected rents due to vacancy and bad debts to the extent such vacancies or bad debt are beyond the control of the landlord. Uncollected space rents in excess of three percent (3%) of gross space rent shall be presumed to be unreasonable unless established otherwise and shall not be included in computing gross income.
- ii. All other income or consideration received or receivable in connection with the use or occupancy of the rental unit, except as provided in subsection (F) (2) (b) of this section.

- b. Gross rental income shall not include:
  - i. Utility charges for charges for sub-metered gas and electricity.
  - 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 are regulated by state or local law.
  - iii. Any amount paid for the use and occupancy of a mobile home unit (as opposed to amounts paid for the use and occupancy of a mobile home space).
  - iv. Charges for laundry services.
  - v. Storage charges.

### 3. Operating Expenses.

- a. Operating expenses shall include the following:
  - i. Reasonable costs of operation and maintenance.
  - ii. Management Expenses. It shall be presumed that management expenses have increased by the percentage increase in rents or the CPI, whichever is greater, between the base year and the current year unless the level of management services has either increased or decreased significantly between the base year and the current year.
  - iii. Utility Costs. Utility costs except utility where the consideration of the income associated with the provision of the utility service is regulated by state law and consideration of the costs associated with the provision of the utility service is preempted by state law.
  - iv. Real Property Taxes. 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 been considered in calculating base year and/or current year operating expenses.
  - v. License and Registration Fees. License and registration fees required by law to the extent these expenses are not otherwise paid or reimbursed by tenants.
  - vi. Landlord-Performed Labor. Landlord-performed labor compensated at reasonable hourly rates.
    - (A) No landlord-performed labor shall be included as an operating expense unless the landlord submits documentation showing the date, time, and nature of the work performed.
    - (B) There shall be a maximum allowed under this provision of five (5%) percent of gross income unless the landlord shows greater services were performed for the benefit of the residents.
  - vii. Costs of Capital Replacements. Costs of capital replacements plus an interest allowance to cover the amortization of those costs where all of the following conditions are met:
    - (A) The capital improvement is made at a direct cost of not less than one hundred dollars (\$100.00) per affected rental unit or at a total direct cost of not less than five thousand dollars (\$5,000.00), whichever is lower.
    - (B) The costs, less any insurance proceeds or other applicable recovery, are averaged on a per unit basis for each rental unit actually benefited by the improvement.
    - (C) The costs are amortized over a period of not less than thirty-six (36) months.
    - (D) The costs do not include any additional costs incurred for property damage or deterioration that result from any unreasonable delay in undertaking or completing any repair or improvement.
    - (E) The costs do not include costs incurred to bring the rental unit into compliance with a

provision of the Humboldt County Code or state law where the original installation of the improvement was not in compliance with code requirements.

(F) At the end of the amortization period, the allowable monthly rent is decreased by any amount it was increased because of the application of this provision.

(G) The amortization period shall be in conformance with a schedule adopted by the County unless it is determined that an alternate period is justified based on the evidence presented in the hearing.

viii. 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, subject to the following requirements:

Reasonable fees, expenses, and other costs incurred in the course of successfully pursuing rights under or in relationship to this Chapter and regulations adopted pursuant to the Chapter including costs incurred in the course of pursuing successful fair return petitions. Said expenses shall be amortized over a five (5)-year period, unless the County concludes that a different period is more reasonable.

Recovery of expenses incurred in the course of preparing and presenting a fair return petition shall be limited when a park owner rejects a settlement offer and then does not recover more than proposed settlement. The purpose of this limitation is to encourage both park owners and mobile home owners to minimize, to the extent possible, the cost and expense of fair rate of return mobile home space rent administrative proceedings by providing a mechanism for the early settlement of fair rate of return administrative proceedings.

At any time after filing a fair rate of return rent application, the designated representative of the residents of the mobile home park may serve an offer in writing in the mobile home park owner who has filed that petition to stipulate to a compromise amount for the fair rate of return rent increase requested in the petition. The designated representative shall also file a copy of this written settlement offer with the County in a separately sealed envelope and with a statement on the outside of the envelope stating that it is a written settlement offer pursuant to this subsection. The sealed copy of the written settlement offer that is so filed with the County is not to be opened by the County until it is either accepted by the park owner or, if it is not accepted by the park owner, after a final rent increase award or denial has been made on the park owner's petition by either the County or by the hearing officer. Upon receiving such offer to compromise, the mobile home park owner has seven (7) days to accept the offer by filing a written acceptance with the County.

A mobile home park owner is not entitled to recover a portion of application expenses, fees, or other costs that are incurred following the submission of a prevailing offer and the residents may recover reasonable attorneys' fees incurred by the residents after the rejection of a "prevailing" offer. The designated mobile home owners' representative shall be determined to have made a prevailing offer if a settlement offer has been made and that offer has not been accepted by the park owner within seven (7) days after the making of that offer, and the park owner's rent increase award fails to exceed the amount of that settlement offer.

Allowable legal expenses which are of a nature that does not recur annually shall be amortized

over a reasonable period of time. At the end of the amortization period, the allowable monthly rent shall be decreased by any amount it was increased because of the application of this provision.

ix. 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 on the cost of the amortized expense equal to the "average rate" for thirty (30)-year fixed rate on home mortgages plus two percent (2%). 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 petition. In the event that this rate is no longer published, the index which is most comparable to the PMMS index shall be used.

b. 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 landlord 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).

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. In the event that the period for determining the allowable rent increase pursuant to this section exceeds one hundred twenty (120) days, the park owner may recover increases that would have been permitted if the rent increase decision had been made within one hundred twenty (120) days. The allowance for these increases may be amortized or may be factored into the prospective allowable increase in order to avoid undue hardship on the mobile home owners.

H. The allowable rent increase per mobile home park space pursuant to this section shall not be increased as a result of the fact that there are exempt spaces in the park.

I. Assurance of a Fair Return. It shall be presumed that the MNOI standard provides a fair return. Nothing in this chapter shall preclude the County or the hearing officer from granting an increase that is necessary in order to meet constitutional fair return requirements.

#### **9101-11 PROCEDURES FOR REVIEW OF FAIR RETURN PETITIONS**

A. Right to Petition. A park owner may petition for a rent increase in order to obtain a fair return. No petition for a fair return rent adjustment may be filed pursuant to this Chapter until thirty (30) days after this Chapter goes into effect. After 2016, no petition may be filed in November or December of any calendar year except in cases of exceptional or unforeseen circumstances.

B. Limit on Frequency of Petitions. Only one (1) petition pursuant to this section may be filed for a mobile home park within a twelve (12)-month period. An exception to this limitation shall be authorized in the event of extraordinary circumstances that could not reasonably have been foreseen at the time the prior petition was filed.

C. Submission of Petition.

1. Petition Form Required. Such petition shall be on a form prescribed by the County.
2. Petition Fee. Upon the receipt of a fair return application, the County shall determine if the employment of experts will be necessary or appropriate for a proper analysis of the applicant's presentation. If the County so determines, it 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 County the estimated cost of expert analysis. Any unused portion of the advance payment for expert analysis shall be refunded to the applicant.
3. Contents of Petition Form. The form may require any information deemed relevant



by the County staff. The form shall include, but not be limited to:

- a. A list of the names and addresses of all mobile home 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 (3) years prior to the current year.
- e. Evidence documenting the income and expenses claimed by the park owner.
- f. All other documentation and opinion testimony upon which the park owner is relying to justify the rent increase.
- g. A statement of the petitioner's theories in support of the rent increase application.

4. Notice of Petition. The park owner and the County shall provide notice of a petition by:

- a. Sending a hard copy and electronic .pdf copy of the petition to the tenants' representative;
- b. Providing the County with hard and electronic copies of the petition;
- c. Notifying each tenant household that the petition has been filed on a form provided by the County.

5. Determination That the Petition Is Complete. County staff will determine if a petition pursuant to this section is complete within thirty (30) days after the petition is submitted. An application will not be deemed complete if the required fees have not be paid. If the application is incomplete, County staff will inform the petitioner what additional information is required.

6. Access to the Petition. The documentation required by this section shall be available for inspection and copying by any person during the normal County business hours. County staff shall make a copy of all submissions by the park owner and the residents in conjunction with a petition that shall be available in the form of an electronic .pdf file.

7. Cost of Expert Analysis. Upon the receipt of a fair return application, County staff shall determine if the employment of experts will be necessary or appropriate for a proper analysis of the applicant's petition. If staff so determines, then staff shall also determine the anticipated cost of employing any such experts. The resulting figure shall be communicated to the petitioner. The petition shall not be further processed until the petitioner has paid to the County the estimated cost of expert analysis. Within thirty (30) days after a petition and the required fee, if any, is submitted to the County, staff shall determine if the petition is complete. Any unused portion for payments so collected shall be refunded to the petitioner.

8. Contents of Expert Analysis. Any analysis pursuant to this subsection shall include a determination of:

- a. Base year and current year rental income;
- b. Base year and current year operating expenses by category;
- c. Base year and current year overall operating expenses;
- d. Base year and current year net operating income;
- e. The percentage change in net operating income between the base period and the current period;
- f. The percentage change in the CPI between the base period and the current period;

- g. The ratio of the percentage change in net operating income to the percentage change in the CPI between the base period and the current period;
- h. The rent adjustment required under an MNOI standard pursuant to chapter.
  - 9. Submission by Mobile Home Owner Tenants. The mobile home owner tenants may submit a written response to the park owner's submission within twenty (20) days after the petition is deemed complete.

D. Review Procedures.

- 1. An application for a fair return adjustment shall be decided within sixty (60) days of the date that the application has been completed. The decision shall be emailed and sent by mail, with proof of mailing to the park owner, the park owner's designated representative for the petition, and a designated representative of the residents.
- 2. Application review shall be conducted by a hearing officer pursuant to this section.
- 3. Procedure for Selection of a Hearing Officer.
  - a. Hearing officers shall be licensed attorneys of the State Bar of California in good standing, and shall have no financial interest in mobile homes, mobile home spaces or mobile home parks and shall not have represented mobile home park owners or mobile home park residents in rent setting cases or park closing or park conversions or any disputes between park owners and park residents.
  - b. A hearing officer shall be selected through the California Office of Administrative Hearings (OAH). In the event that it is not possible to set up a hearing through the OAH, County staff may elect to contract with another statewide agency that provides arbitration services or may establish a panel in accordance with the following procedure set forth in subsection (D)(3)(c) of this section.
  - c. In the event that a panel of hearing officers is established, County staff shall make all reasonable efforts to ensure that there are at least five (5) qualified candidates to form a panel of prospective hearing officers. Hearing officers shall be selected on a rotational basis from the panel list. A hearing officer shall disqualify himself or herself from serving as hearing officer in a particular matter where he/she has a conflict of interest within the meaning of the Political Reform Act (Government Code Section 87100 et seq.), and shall otherwise comply with the disqualification provisions of Canon 3.E. of the Code of Judicial Ethics. The parties shall be advised in writing of the selected hearing officer, and advised of their right to disqualify the selected hearing officer. In the event of a disqualification, another hearing officer shall be randomly selected from the panel, and a new notice of hearing sent to the parties. Each party shall have the right to disqualify one hearing officer for a particular matter if there are five (5) or fewer hearing officers on the list and may disqualify up to two (2) hearing officers if there are eight (8) or more hearing officers on the list.
- 4. Time of and Scheduling of Hearing.
  - a. A hearing on the petition shall commence within thirty (30) days of the selection of a hearing officer unless both parties agree to a different schedule. The hearing shall be completed within fifteen (15) days after it is commenced. These time deadlines may be extended if the hearing officer finds that there is good cause to commence and/or complete the hearing at a later date.
  - b. The hearing may be scheduled during the normal business hours of the County unless a

majority of the residents that are subject to the petition requests that the hearing be scheduled during the evening. The hearing shall be scheduled at a time that it is convenient for the residents' and park owner's representatives.

c. The presentations of each party at the hearing and of County staff and experts shall be limited to ninety (90) minutes each unless there is good cause for providing a greater period of time. Each party and the County shall be permitted one hour of cross-examination of expert witnesses.

5. Notice of Hearing. Written notice of the time, date and place of the hearing shall be given at least ten (10) days prior to the hearing.

6. Requests for Additional Information by Opposing Party.

a. Either party or the County may request that additional specific supporting documentation be provided to substantiate the claims made by a party. The request shall be presented in writing to the hearing officer.

b. The hearing officer may order production of such requested documentation, if the hearing officer determines the information is relevant to the proceedings.

7. Submission of Reports.

a. Any response by the residents or the park owner to a report by the County must be submitted to the other parties at least ten (10) days prior to the hearing. The submissions shall be in printed and electronic form.

b. Rebuttal reports may be submitted by the park owner, residents, and/or County staff and/or a consultant on behalf of the County and provided to the parties at least five (5) days prior to a hearing.

c. For good cause, the hearing officer may accept additional information at the hearing.

8. Conduct of Hearing.

a. The hearing shall be conducted in accordance with such rules and regulations as may be promulgated by the County and any rules set forth by the hearing officer.

b. The hearing officer shall have the power and authority to require and administer oaths or affirmations where appropriate, and to take and hear evidence concerning any matter pending before the hearing officer.

c. The rules of evidence generally applicable in the courts shall not be binding in the hearing. Hearsay evidence and any and all other evidence which the hearing officer deems relevant and proper may be admitted and considered.

d. Any party or such party's representative, designated in writing by the party, may appear at the hearing to offer such documents, oral testimony, written declaration or other evidence as may be relevant to the proceedings.

e. The hearing officer may grant or order not more than two (2) continuances of the hearing for not more than ten (10) working days each. Additional continuances may be granted only if all parties stipulate in writing or if the hearing officer finds that there is a good cause for the continuance. Such continuances may be granted or ordered at the hearing without further written notice to the parties.

f. A tape recording of the proceedings shall be made by County staff in a format that is easily made available and is easily usable.

g. The hearing shall be conducted in a manner that ensures that parties have an opportunity to

obtain documents and to obtain information about the theories and facts to be presented by the opposing parties in adequate time in advance of the hearing to enable preparation of a rebuttal.

9. Required Findings in Decision. Any decision pursuant to this subsection shall include a determination of::

- a. Base year and current year rental income;
- b. Base year and current year operating expenses by category;
- c. Base year and current year overall operating expenses;
- d. Base year and current year net operating income;
- e. The percentage change in net operating income between the base period and the current period;
- f. The percentage change in the CPI between the base period and the current period;
- g. The ratio of the percentage change in net operating income to the percentage change in the CPI between the base period and the current period;
- h. The rent adjustment required under an MNOI standard pursuant to Section 9101-10 and this section.

10. Conditions for Allowance or Disallowance of Rent Increase. The allowance or disallowance of any proposed rent increase or portion thereof may be reasonably conditioned in any manner necessary to effectuate the purposes of this Chapter.

11. Deadline for Decision. An application for a fair return adjustment shall be decided by the hearing officer within sixty (60) days of the date that the filing of the appeal, including the receipt of fees, has been deemed complete, unless the hearing officer determines that there is good cause for an extension of this period or the County extends this period due to the length of time required to accommodate scheduling availability and limitations required to obtain the services of a hearing officer.

12. Notice of Decision. County staff shall mail copies of the decision to the park owner and all affected mobile home park tenants within three (3) days of the decision. Copies of the decision shall be emailed to the park owner and residents' representative as soon as possible after the decision is made and in all cases within twenty-four (24) hours after the decision is made.

13. Preservation of Record. Any findings pursuant to this section shall be reported to the County in an agenda packet and permanently preserved in the County records, so that they are available in the event of a future rent increase application involving the same mobile home park.

14. Representation of Parties.

- a. The parties in any hearing may be represented at the hearings by a person of the party's choosing. The representative need not be an attorney.
- b. Written designation of representatives shall be filed with the County or the hearing officer.
- c. The written designation of the representative shall include a statement that the representative is authorized to bind the party to any stipulation, decision or other action taken at the administrative hearing.

15. Modification of Decision in the Event of Mathematical or Clerical Inaccuracies. Any party alleging that the hearing officer's statement of decision contains mathematic or clerical inaccuracies may so notify the hearing officer and the other party within fifteen (15) calendar days of the mailing of the decision. The hearing officer may make any corrections warranted, and re-file the statement of decision within ten (10) working days after receiving the allegation of the

mathematical error. Upon re-filing of the statement, the decision shall be final.

16. Calculation of Allowable Application Expenses if a Sealed Offer Has Been Submitted. If any sealed settlement offers have been submitted to the County by any parties to the dispute, after the hearing officer determines the allowable rent adjustment pursuant to this section, the hearing officer shall open the sealed offers and make a determination of whether there has been a "prevailing party" and shall announce that determination in the hearing officer's notice of decision issued pursuant to subsection (D) (12) of this section. Within seven (7) days of receipt of the notice of decision awarding fees, the prevailing party shall submit a written request and accounting of these fees and serve that request simultaneously on all parties by regular and electronic mail. Within seven (7) days of receiving the request by the prevailing party, the opposing party may file an objection to that request. Within seven (7) days of the date that an opposition is submitted or within seven (7) days of the deadline for an opposition, if none is submitted, the hearing officer shall submit a proposed supplemental decision stating the amount of fees included in the award, which shall become final in seven (7) days after the proposed decision, unless either party requests an evidentiary hearing within seven (7) days, in which case a final decision shall be made within seven (7) days after the hearing. If the prevailing party is the mobile home owners' representative, then the park owner shall file an affidavit with the County, stating that the award of attorneys' fees has been paid in full and shall not be permitted to implement a rent increase pursuant to this section until such payment has been made. For good cause, the hearing officer may modify the procedure set forth in this subsection for determining an award for a prevailing party.

E. Overall Period for Review of Fair Return Petition. After a petition is deemed complete, the overall time for conducting a hearing and issuing a final decision by the hearing officer shall not exceed one hundred eighty (180) days, unless the hearing officer determines that there is good cause for extending this deadline or the County extends this period due to the length of time required to accommodate scheduling availability and limitations required to obtain the services of a hearing officer.

## **9101-12 RENT INCREASES FOR NEW CAPITAL IMPROVEMENTS**

A. A park owner may obtain a pass-through of a new capital improvement cost under this section. Any capital improvement assessment shall be identified separately and listed on rent statements along with their date of expiration.

B. New Capital Improvements. Improvements that did not previously exist in the park shall be deemed "new capital improvements," unless the park owner was required by law to make the capital improvements. A park owner may charge each affected mobile home owner as additional rent the pro rata share of new service and capital improvement costs including financing costs subject to the following preconditions:

1. Prior to initiating the service or incurring the capital improvement cost, the park owner must consult with the mobile home owners regarding the nature and purpose of the improvements and the estimated cost of the improvements.

2. The park owner must obtain the prior written consent to the proposed capital improvement from at least one (1) adult mobile home owner in each of a majority (50% + 1) of the occupied mobile home spaces within the park. Each space shall have only one (1) vote.

## **9101-13 RENT REDUCTIONS FOR SERVICE REDUCTIONS**

A. "Service reductions" shall mean the elimination or reduction of any service or park facility provided as of December, 2016. "Service" shall also include physical improvements or amenities.

B. A service reduction complaint shall be submitted to the County alleging in a written form and should state:

1. The affected spaces;
2. The prior level of service established by the park owner for that homeowner's mobile home space and common facilities used by that homeowner;
3. The specific changes in the prior level of services comprising the alleged reduction in service;
4. The date the service reduction was first noticed by the homeowner;
5. The date of notice to the park owner of the alleged service reduction, and if such notice was given, whether the notice was given orally or in writing;
6. When and how the park owner responded to the homeowner's notice, if notice was given;
7. Whether the condition was improved or corrected, and if so, when and how;
8. The status of the condition as of the date the complaint is signed; and
9. Where such service reduction was the result of a vote of a majority of the affected homeowners.

C. Submission of Service Reduction Complaint to Hearing Officer.

1. Thirty (30) days after the service reduction complaint is submitted to the County, if the dispute is not settled, either one-third (1/3) of the tenants in a park or the park owner may request that the dispute be submitted to a hearing officer.

2. If the hearing officer finds that a material service reduction has occurred, the hearing officer shall determine the resultant percentage reduction in the homeowners' enjoyment of their homes due to the service reduction.

3. Rent shall be reduced by that percentage or amount. The homeowners also shall be entitled to a rebate of the following sum: the monthly rent reduction multiplied by the number of months between the date the homeowners notified the park owner of the reduction in service, and the date the County determined the rent reduction.

4. A service reduction shall not include the elimination or reduction of a recreational facility or service when such elimination or reduction and rent decrease resulting therefrom have the prior written approval of two-third (2/3) of the homeowners. In such cases no rebate shall be

required.

5. No recreational service or facility which has been reduced or eliminated shall be reinstated at any cost to the homeowners without prior written approval of two-third (2/3) of the homeowners.

D. In the event that a service reduction claim is filed while a fair return petition is pending, either the County, the park owner, or the tenants may require consideration of a claim pursuant to this section in conjunction with the fair return claim.

#### **9101-14 WAIVER**

A. Any waiver or purported waiver by a mobile home owner or mobile home tenant of rights granted under this Chapter shall be void as contrary to public policy.

B. It shall be unlawful for a landlord to require or attempt to require, as a condition of tenancy in a mobile home park, a mobile home owner, mobile home tenant, prospective mobile home owner, or prospective mobile home tenant to waive in a lease or rental agreement or in any other agreement the rights granted to a mobile home owner or mobile home tenant by this Chapter.

C. It shall be unlawful for a landlord to deny or threaten to deny tenancy in a mobile home park to any person on account of such person's refusal to enter into a lease or rental agreement or any other agreement under which such person would waive the rights granted to a mobile home owner or mobile home tenant by this Chapter.

#### **9101-15 INFORMATION TO BE SUPPLIED BY PARK OWNER TO TENANTS AND PROSPECTIVE TENANTS**

A. A copy of this Chapter shall be posted in the office of every mobile home park and in the recreation building or clubhouse of every mobile home park.

#### **9101-16 INFORMATION TO BE PROVIDED BY COUNTY TO PUBLIC**

The County's web page shall include a copy of this Chapter, a summary of this Chapter and other issues related to mobile home park space rentals within the County, and a copy of the California Mobilehome Residency Law (Civil Code 798 et seq.)

#### **9101-17 RESIDENT REPRESENTATIVES**

The residents of each mobile home park in the County shall annually elect by majority vote, with one vote per space, a resident representative to receive all notices required by this Chapter. The residents shall advise County staff of the name, address and phone number of the elected resident representative in writing no later than January 31st of each year and shall promptly notify County staff of any change of representative.

## **9101-18 RIGHTS OF PROSPECTIVE TENANTS**

- A. Any prospective tenant must be offered the option of renting a mobile home space in a manner which will permit the "tenant-to-be" to receive the benefits of the mobile home space rent stabilization program which includes, but is not limited to, rental of a mobile home space on a month-to-month basis. Such a person cannot be denied the option of a tenancy of twelve (12) months or less in duration.
- B. The park owner shall provide each prospective tenant with a photocopy of the written notification attached as Appendix A of this Chapter and will provide each prospective tenant with a copy of this Chapter.
- C. Any effort to circumvent the requirements of this section shall be unlawful.

## **9101-19 ANNUAL REGISTRATION AND OTHER REQUIRED NOTICES**

- A. No later than February 1st of each year, each park owner shall file an annual registration statement, on a form provided by the County.
- B. Contents of Registration Form. The registration statement shall include the name(s), business address(es), and business telephone number(s) of each person or legal entity possessing an ownership interest in the park and the nature of such interest; the number of mobile home spaces within the park; a rent schedule reflecting the current space rents within the park; a listing of all other charges, including utilities not included in space rent, paid by mobile home owners within the park and the approximate amount of each such charge; the name and address to which all required notices and correspondence may be sent; and other information required by County.
- C. Certification of Registration Statements. All registration statements, and any accompanying documentation, shall contain an affidavit or declaration, signed by the park owner or a designated agent, with his/her signature notarized, certifying that the information contained therein is true, correct and complete.
- D. Notice of Sale of a Park. Upon the sale or transfer of a mobile home park, the seller or transferor shall notify the County of the sale or transfer and of the name and address of the buyer or transferee. Within ten days of the sale or transfer of a mobile home park, the buyer or transferee shall provide a new registration statement.
- E. Notice to Prospective Park Purchasers. The park owner shall provide prospective park purchasers with a copy of this Chapter and notice that the following would be a prerequisite to filing a rent increase application pursuant to Sections 9101-010 and 9101-11.
  - 1. A statement of the base year income, expenses, and net operating income of the park with a breakdown of income and expenses by category.



2. Documents supporting the amounts reported in the income and expense statement.

### **9101-20 RETALIATION PROHIBITED**

A. It shall be unlawful for any landlord to evict a mobile home owner or mobile home tenant where the landlord's dominant motive in seeking to recover possession of the rental unit is:

1. Retaliation for the mobile home owner's or mobile home tenant's organizing, petitioning government for rent relief, or exercising any right granted under this Chapter; or
2. Evasion of the purposes of this Chapter.

B. It shall be unlawful for a landlord to retaliate against a mobile home owner or mobile home tenant for the owner's or tenant'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 rental unit.
2. Engaging in any form of harassment that causes the owner or tenant to quit the premises.
3. Decreasing housing services.
4. Increasing rent.
5. Imposing or increasing a security deposit or other charge payable by the owner or tenant.

### **9101-21 DEMANDS FOR EXCESSIVE RENTS**

It shall be unlawful for a park owner to demand, accept, receive, or retain any rent in excess of the amounts authorized by this Chapter.

### **9101-22 EXCESSIVE RENT-CIVIL PENALTIES**

A. If any person is found to have demanded, accepted, received or retained any payment of rent in excess of the maximum rent allowed by this Chapter, such person shall be liable to the mobile home owner or mobile home tenant from whom such payment was demanded, accepted, received, or retained for damages as determined by a court of competent jurisdiction.

B. In the event a mobile home owner or mobile home tenant is the prevailing party in a civil action against a person found to have demanded, accepted, received or retained any payment of rent as described in subsection A of this section, such mobile home owner or mobile home tenant, in addition to damages as determined by the court pursuant to subsection A of this section, may, in the discretion of the court, be awarded an amount not to exceed five hundred dollars or three times the damages determined by the court pursuant to subsection A of this section, whichever is greater. For the purposes of this subsection, a mobile home owner or mobile home tenant shall be deemed to be a prevailing party if the judgment is rendered in such

mobile home owner's or mobile home tenant's favor or if the litigation is dismissed in such mobile home owner's or mobile home tenant's favor prior to final judgment, unless the parties otherwise agree in the settlement or compromise.

C. Remedies provided by this section are in addition to any other legal or equitable remedies and are not intended to be exclusive.

### **9101-23 RULES AND GUIDELINES**

The County may adopt rules and procedures to implement the applications, notices, registration, verification and certification required by this Chapter, and for the review of rent increase applications and the conduct of hearings. Such rules and guidelines shall be submitted to the County for review and approval.

### **9101-24 COMPELLING COMPLIANCE**

The County may institute a civil action to compel compliance with this Chapter.

### **9101-25 FEES OF ADMINISTRATION**

A. Definition. "Administrative service fee" or "fee" means a reasonable charge upon persons occupying a space within a mobile home park for the privilege granted by this Chapter of receiving the specific rent stabilization benefits conferred by this Chapter.

B. Collection. The administrative service fee shall be paid to the County from every occupied mobile home space, except exempt spaces which shall be excluded from paying the fee.

C. Purpose and Limitation on Use. The purpose of the fee is to reimburse, in whole or in part, the County for the reasonable costs of conferring the benefits and privileges provided by this Chapter to the benefit of the mobile home owners who are collectively paying the fee. These costs may include, but not be limited to, the costs of administering and enforcing the rent stabilization provisions of this Chapter; defending those provisions and their administrative enforcement from litigation challenging them; defending the administrative decisions of the County that would result in the preservation of the mobile home spaces receiving the benefits of this Chapter as rental spaces that are qualified, under state law, to continue to receive the benefits of this Chapter from their conversion to subdivided lots or other uses that would result in their loss of the rent stabilization benefits and privileges conferred by this Chapter from litigation challenging them and providing grants to mobile home park homeowners' associations, or legal service providers, to partly cover the costs of providing the legal services necessary for enforcing their rights in administrative proceedings under this Chapter. All moneys collected by the County through this administrative fee shall be set aside and used by the County only for the purposes set forth in this subsection and shall not exceed the reasonable costs of conferring the benefits and

privileges provided by this Chapter to the persons collectively paying the fee, including providing the County with a reserve for covering such future costs, compensating the County for the expenditure of such prior costs and covering the payment of any loans that the County has or may incur to help pay for the costs of providing the benefits and privileges of this Chapter, including loans to help pay the County's costs of defending against litigation that is covered under this subsection.

D. The amount of administrative fees and requirements for submission of the fees shall be reasonable, shall not exceed a total of five dollars (\$5.00) per space per month, and shall be set by resolution of the Board of Supervisors in compliance with the specific purpose and limits of this section. Monthly fees applicable to mobile home park spaces covered by this Chapter shall be collected by each park owner and submitted to the County on a quarterly basis, within thirty (30) days after the end of each quarter. The payments shall be accompanied by reporting as required on a form provided by County staff.

#### **9101-26 APPEAL**

County determinations pursuant to this Chapter, including but not limited to fair return determinations, shall be subject to review pursuant to California Code of Civil Procedure Section 1094.5 as a final administrative determination, within the time constraints established pursuant to Code of Civil Procedure Section 1094.6.

#### **9101-27 SEVERABILITY**

If any section, subsection, sentence or clause of this Chapter is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Chapter.

## APPENDIX A

IMPORTANT NOTICE TO PROSPECTIVE HOMEOWNER REGARDING THE PROPOSED RENTAL AGREEMENT FOR \_\_\_\_\_ MOBILE HOME PARK:

PLEASE TAKE NOTICE THAT THIS RENTAL AGREEMENT CREATES A TENANCY WITH A TERM IN EXCESS OF TWELVE MONTHS. BY SIGNING THIS RENTAL AGREEMENT YOU ARE EXEMPTING YOUR MOBILE HOME SPACE FROM THE PROVISIONS OF THE HUMBOLDT COUNTY MOBILE HOME RENT STABILIZATION ORDINANCE FOR THE TERM OF THIS RENTAL AGREEMENT.

THE HUMBOLDT COUNTY MOBILE HOME RENT STABILIZATION ORDINANCE AND THE STATE MOBILE HOME RESIDENCY LAW (CALIFORNIA CIVIL CODE 798 et seq.) PROVIDE CERTAIN RIGHTS. BEFORE SIGNING THIS RENTAL AGREEMENT YOU MAY CHOOSE TO SEE A LAWYER.

UNDER THE PROVISIONS OF STATE LAW, YOU HAVE A RIGHT TO BE OFFERED A RENTAL AGREEMENT FOR:

- (1) A TERM OF TWELVE MONTHS, OR
- (2) A LESSER PERIOD AS YOU MAY REQUEST, OR

(3) A LONGER PERIOD AS YOU AND THE MOBILE HOME PARK MANAGEMENT MAY AGREE. YOU HAVE A RIGHT TO REVIEW THIS AGREEMENT FOR THIRTY (30) DAYS BEFORE ACCEPTING OR REJECTING IT. IF YOU SIGN THE AGREEMENT YOU MAY CANCEL THE AGREEMENT BY NOTIFYING THE PARK MANAGEMENT IN WRITING OF THE CANCELLATION WITHIN 72 HOURS OF YOUR EXECUTION OF THE AGREEMENT. IT IS UNLAWFUL FOR A MOBILE HOME PARK OWNER OR ANY AGENT OR REPRESENTATIVE OF THE OWNER TO DISCRIMINATE AGAINST YOU BECAUSE OF THE EXERCISE OF ANY RIGHTS YOU MAY HAVE UNDER THE HUMBOLDT COUNTY MOBILE HOME RENT REVIEW LAW, OR BECAUSE OF YOUR CHOICE TO ENTER INTO A RENTAL AGREEMENT WHICH IS SUBJECT TO THE PROVISIONS OF THAT LAW.