

CHAPTER 11A**MOBILEHOME RENT CONTROL**

- § 11A-1. Purpose.
- § 11A-2. Definitions.
- § 11A-3. Exemptions.
- § 11A-4. Arbitration.
- § 11A-5. Increases in maximum rent schedule.
- § 11A-6. Capital improvements and capital expenses.
- § 11A-7. Leases.
- § 11A-8. Collection and frequency of increases.
- § 11A-9. Cost savings.
- § 11A-10. Subleases and assignments.
- § 11A-11. Retaliation.
- § 11A-12. Penalties.
- § 11A-13. Judicial intervention.
- § 11A-14. Increase upon sale.
- § 11A-15. Severability.

Sec. 11A-1. Purpose.

A growing shortage of housing units resulting in a critically low vacancy rate and rapidly rising and exorbitant rents exploiting this shortage constitutes serious housing problems affecting a substantial portion of those Santa Barbara County residents who reside in rental housing. These conditions endanger the public health and welfare of the County of Santa Barbara. Especially acute is the problem of low vacancy rates and rapidly rising and exorbitant rents in mobilehome parks in the county of Santa Barbara. Because of such factors and the high cost of moving mobilehomes, the potential for damage resulting therefrom, requirements relating to the installation of mobilehomes, including permits, landscaping and site preparation, the lack of alternative homesites for mobilehome residents and the substantial investment of mobilehome owners in such homes, the board of supervisors finds and declares it necessary to protect the owners and occupiers of mobilehomes from unreasonable rents while

at the same time recognizing the need for mobilehome park owners to receive a fair return on their investment and rent increases sufficient to cover their increased costs. The purpose of this chapter is to alleviate the hardship caused by this problem by imposing rent controls in mobilehome parks within the unincorporated area of the county of Santa Barbara. (Ord. No. 3122, § 1)

Sec. 11A-2. Definitions.

The following definitions shall govern the construction of this chapter:

(a) "Capital improvement" is any addition or betterment made to a mobilehome park which consists of more than mere repairs or replacement of existing facilities or improvements and which has a useful life of five or more years.

(b) "Capital expense" is a repair or replacement of existing facilities or improvements which has an expected life of more than one year.

(c) "Homeowner" is an owner of a mobilehome in a mobilehome park, responsible for paying rent to management.

(d) "Homeowner majority" is fifty percent plus one vote or more of the number of votes homeowners of a mobilehome park are entitled to cast at the time of voting. A homeowner is entitled to cast one vote for each mobilehome site that he is renting in the mobilehome park and that is occupied by a mobilehome; provided, however, that no homeowner who is a party to a lease is entitled to cast a vote for the site that is the subject of the agreement. The total number of votes homeowners are entitled to cast equals the total number of mobilehome sites rented, occupied by mobilehomes, and not subject to a lease at the time of voting.

(e) "Lease" is an agreement between management and a homeowner establishing the terms and conditions of a tenancy and providing for a fixed rent and a fixed term exceeding three months.

(f) "Lessee" is the owner of a mobilehome in a mobilehome park, responsible for paying rent to management under a lease.

(g) "Management" is the owner of a mobilehome park or an agent or representative authorized to act

11A-2

on his behalf in connection with matters relating to a tenancy in the park.

(h) "Meet and confer" is an informal meeting between authorized representatives of management and homeowners of the same park for the purpose of discussing a proposed increase in rent and the basis for it.

(i) "Mobilehome" is a structure designed for human habitation and for being moved on a street or highway, whether commonly referred to as a "mobilehome" or as a "trailer."

(j) "Mobilehome park" is an area of land where two or more mobilehome sites are rented, or held out for rent, to accommodate mobilehomes used for human habitation.

(k) "Once a year" is once every twelve months.

(l) "Park" is a mobilehome park.

(m) "Rent" is any consideration demanded or received in connection with the use or occupancy of any mobilehome site. Rent does not include charges for the use of coin-operated washing machines and dryers nor for storage facilities off the mobilehome site.

(n) "Rent schedule" is a statement of the rent charged for each tenancy in a mobilehome park.

(o) "Services" means those facilities which enhance the use of the mobilehome site, including, but not limited to, repairs, replacements, maintenance, water, utilities, security devices, security patrols, storage, bath and laundry facilities and privileges, janitorial services, refuse removal and recreational and other facilities in common areas of the mobilehome park.

(p) "Tenancy" is the right of a tenant to the use of a site within a mobilehome park on which to locate, maintain and occupy a mobilehome, site improvements and accessory structures for human habitation, including the use of the services and facilities of the park. (Ord. No. 3122, § 1; Ord. No. 3179, § 1; Ord. No. 3589, § 1)

Sec. 11A-3. Exemptions.

This chapter applies as of November 21, 1979, to all mobilehome tenancies in mobilehome parks

located in the unincorporated area of Santa Barbara County, except:

(a) Tenancies used primarily for commercial purposes.

(b) Tenancies in mobilehome parks of four spaces, or fewer, where one space is occupied by the owner.

(c) Tenancies in mobilehome parks, the construction of which began after the effective date of this chapter; provided, however, that such exemption shall continue in effect for only five years after such construction began.

(d) Tenancies which a government agency owns, manages, or operates.

(e) Tenancies as to which there is no rental agreement and which both the management and the tenant do not expect to exceed three months.

(f) Tenancies the rental of which are subsidized by any governmental agency, if federal or state law or regulations pertaining thereto specifically exempt such spaces from rent regulation.

(g) Tenancies governed by a lease between management and homeowner. (Ord. No. 3122, § 1; Ord. No. 3179, § 2; Ord. No. 3589, § 2)

Sec. 11A-4. Arbitration.

(a) Arbitration shall be used to fix maximum rent increase schedules for mobilehome tenancies under this chapter, following a petition by a homeowner majority. The method of selection, appointment and compensation of an arbitrator, and hearing procedures shall be in accordance with the mobilehome rent control ordinance rules for hearings and amendments thereto as approved by the Santa Barbara County board of supervisors.

(b) The arbitrator shall set and adjust rents in accordance with the standards set out in this chapter.

(c) The real property division manager of the Santa Barbara County department of public works shall serve as clerk under this chapter. The duties and responsibilities of the clerk shall be stated in the rules for hearings.

(d) The rules for hearing shall provide for the collection of fees or costs from the parties not to ex-

ceed the actual costs of administration and of arbitration services. (Ord. No. 3589, § 4)

Sec. 11A-5. Increases in maximum rent schedule.

(a) Management's notice of an increase in the maximum rent schedule shall:

(1) Comply with state law; and

(2) Indicate whether or not the percentage of noticed increase in relation to the previous maximum rent schedule, less allowed costs for capital improvements and/or capital expenses, if any, is in excess of seventy-five percent of the percentage by which the most recently published edition of the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index for Urban Wage Earners and Clerical Workers, Los Angeles-Long Beach-Anaheim area, all items, Base Index 1967=100, shows that such index has increased during the immediately preceding twelve months for which said index has been published at the time notice of said increase was given or since the last rent increase (hereinafter called "in excess of seventy-five percent of CPI"); and

(3) Where the noticed increase is in excess of seventy-five percent of CPI, management shall:

(A) Itemize amounts for increased operating costs; any capital expenses incurred in the prior year to be undertaken for which reimbursement is sought, hereinafter "new" capital expenses; any capital expenses allowed in prior years but not fully reimbursed, hereinafter "old" capital expenses; any offset against new or old capital expenses; and capital improvements.

(B) Set a meet and confer session. The procedure for meet and confer shall be set out in the rules for hearing.

(b) Homeowners may, no later than forty-five days after the date of notice, file a petition for hearing to contest the proposed increase but only if the increase is in excess of seventy-five percent of CPI.

(c) The hearing shall be set by the clerk, held before an arbitrator, and governed by the provisions of this chapter and of the rules for hearing.

(d) The arbitrator shall deny a hearing on a noticed increase:

(1) Where management has not waived its right to object and proves by a preponderance of evidence that:

(A) The homeowners' petition for hearing was not supported by a homeowner majority or was untimely filed. For purposes of this determination, management may require the testimony of the clerk but may not require the production of homeowner's petitions or copies thereof, except that said petitions may be examined by the arbitrator; or

(B) The noticed increase is not in excess of seventy-five percent of CPI; or

(2) Where no homeowners' representatives attended meet and confer.

(e) The arbitrator shall deny an increase in the maximum rent schedule where homeowners prove by a preponderance of evidence that:

(1) Management has previously increased the maximum rent schedule such that the effective date of the proposed increase will be less than twelve months after the effective date of the previous increase; or

(2) Management has failed to provide a meet and confer session.

(f) If the hearing and/or increase is not denied pursuant to the foregoing paragraphs, the arbitrator shall consider all relevant factors to the extent evidence thereof is introduced by either party or produced by either party on request of the arbitrator.

(1) Such relevant factors may include, but are not limited to, increases in management's ordinary and necessary maintenance and operating expenses, insurance and repairs; increases in property taxes and fees and expenses in connection with operating the park; capital improvements; capital expenses; increases in services, furnishings, living space, equipment or other amenities; and expenses incidental to the purchase of the park except that evidence as to the amounts of principal and interest on loans and depreciation shall not be considered.

(g) The arbitrator shall automatically allow a rent increase of seventy-five percent of the CPI increase (hereinafter "automatic increase").

11A-5

(h) The arbitrator may allow an increase in excess of the automatic increase for increased costs where increases in expenses and expenditures of management justify such increase.

(i) To determine the amount of any increase in excess of the automatic increase, the arbitrator shall:

(1) First, grant one-half of the automatic increase to management as a just and reasonable return on investment. The arbitrator shall have no discretion to award additional amounts as a just and reasonable return on investment;

(2) Next, grant one-half of the automatic increase to management to cover increased operating costs. The arbitrator shall have no discretion to award less than this amount for operating costs.

(3) Next, add an amount to cover operating costs, if any, in excess of one-half of the automatic increase. The arbitrator shall have discretion to add such amounts as are justified by the evidence and otherwise permitted by this chapter.

(4) Next, add an amount to cover new capital expenses. Where one-half of the automatic increase is more than the actual increase in operating costs for the year then ending, the arbitrator shall offset the difference against any increases for new capital expenses.

(5) Next, add an amount to cover old capital expenses. Where one-half of the automatic increase is more than the actual increase in operating costs for the year then ending, the arbitrator shall offset the difference against any increase for old capital expenses unless such difference has already been used to offset an increase for a new capital expense or another old capital expense. The arbitrator shall have discretion to review operating costs and the sufficiency of any offset, but not to redetermine the right of management to reimbursement for an old capital expense.

(6) Finally, add an amount to cover increased costs for capital improvements, if any. The arbitrator shall have discretion to add such amount as is justified by the evidence and otherwise permitted by this chapter.

(j) The total increase shall not exceed the amount in management's notice of rent increase.

(k) Evidence as to costs to be incurred prior to the next rent increase may be considered only where such evidence shows that these costs are definite and certain.

(l) Increases in the maximum rent schedule set by the arbitrator shall become effective as of the effective date in the notice or rent increase. (Ord. No. 3589 § 6; Ord. No. 3678, § 1)

Sec. 11A-6. Capital improvements and capital expenses.

(a) **Capital Improvements.**

(1) The cost of capital improvements incurred or proposed, including reasonable financing costs, may be passed on to homeowners at the time of an annual increase:

(A) After written approval of a homeowner majority without hearing; or

(B) After failure of homeowners to contest a rent increase which includes costs for capital improvements; or

(C) After approval at hearing.

(2) Any notice of a rent increase which is in excess of seventy-five percent of CPI and includes costs for capital improvements shall contain a payment plan showing the cost of the improvement per mobilehome space and the time period required to amortize the cost of the improvement, e.g., ten dollars per space for seventy-two months.

(3) Notwithstanding any other provision to the contrary, the cost of capital improvements required by a change in governmental law or regulation may be automatically passed on to homeowners at the time of an annual increase. Any hearing on such costs shall be solely for the purpose of determining whether management's plan for compliance or for recoupment of costs is unreasonable if so alleged by homeowners.

(4) Management shall deduct increases allowed for capital improvements at the time which was specified by the arbitrator, or if no time was so specified, then at the time specified by the payment plan.

(A) If management fails to automatically deduct such increase, then such increase shall be considered

an increase in the maximum rent schedule and shall be subject to all the provisions of this chapter, including, but not limited to, amount and frequency of increase.

(B) If the arbitrator finds that management failed to deduct the increase, the arbitrator shall order management to credit such amount to each homeowner retroactive to the date the increase should have been deducted together with interest at the legal rate.

(5) If management fails to begin construction of a capital improvement within six months after approval of the cost of the capital improvement, then management shall discontinue the increase for the capital improvement and shall credit any amounts collected to each homeowner. If management fails to automatically discontinue such increase, then such increase shall be considered an increase in the maximum rent schedule and shall be subject to all the provisions of this chapter, including, but not limited to, amount and frequency of increase.

(b) Capital Expenses.

(1) The cost of capital expenses incurred or proposed, including reasonable financing costs, may be passed on to homeowners at the time of an annual increase.

(2) Any notice of a rent increase which is in excess of seventy-five percent of CPI and includes costs for capital expenses shall contain a payment plan which shows the amount needed per month to amortize the cost of the capital item(s) over the useful life of the item(s). Payment plans for old capital expenses are not subject to modification by the arbitrator unless mutually agreed to by management and homeowners.

(3) Notwithstanding any other provision to the contrary, the cost of capital improvements required by a change in governmental law or regulation may be automatically passed on to homeowners at the time of an annual increase. Any hearing on such costs shall be solely for the purpose of determining whether management's plan for compliance or for recoupment of costs is unreasonable, if so alleged by homeowners.

(4) Management shall deduct increases allowed for capital expenses at the time which was specified by the arbitrator, or if no time was so specified, than at the time specified by the payment plan.

(A) If management fails to automatically discontinue such increase, then such increase shall be considered an increase in the maximum rent schedule and shall be subject to all the provisions of this chapter, including, but not limited to, amount and frequency of increase.

(B) If the arbitrator finds that management failed to discontinue the increase, the arbitrator shall order management to credit such amount to each homeowner retroactive to the date the increase should have been deducted together with interest at the legal rate.

(5) If management fails to begin construction of a capital expense item within six months after approval of the cost of the capital expense, then management shall discontinue the increase for the capital expense and shall credit any amount collected to each homeowner. If management fails to automatically discontinue such increase, then such increase shall be considered an increase in the maximum rent schedule and shall be subject to all the provisions of this chapter, including, but not limited to, amount and frequency of increase.

(c) Whenever costs for capital improvements and/or capital expenses are included in rent, management shall provide each homeowner at least once a year a statement showing the following:

(1) The amount of rent without charges for capital improvements and/or capital expenses; and

(2) The monthly amount for each capital improvement and/or capital expense;

(3) The date by which the charge for each capital improvement and/or capital expense will be fully amortized;

(4) If this information is provided in an annual notice of rent increase, an additional statement is not required. (Ord. No. 3589, § 8; Ord. No. 3678, § 2)

Sec. 11A-7. Leases.

Nothing in this chapter shall operate to restrict

11A-7

the right of a homeowner and management to enter into a lease. During the term of the lease, rent shall be that amount agreed to by management and lessee under the terms of the lease. Prior to the lease and following the expiration or termination of the lease or any continuance thereof, the rent shall be in accordance with the maximum rent schedule for the same, or if there is none, similar tenancies of the same park. (Ord. No. 3589, § 8)

Sec. 11A-8. Collection and frequency of increases.

(a) Management may increase the maximum rent increase schedule no more than once a year for tenancies not subject to a lease. Assuming proper notice, management may collect increases as of the effective date of increase specified in the notice.

(b) Where a homeowner majority has petitioned for a hearing on an increase and the hearing is to be held after the effective date of increase, management may collect the increase pending the arbitrator's decision; however, any portion of an increase in excess of seventy-five percent of the CPI increase shall be placed in an interest-bearing account in the name of management as trustee for the homeowners of that park.

(1) Where the arbitrator approves the full amount of noticed increase, management shall be entitled to retain the full amount in the interest-bearing account together with accrued interest, if any.

(2) Where the arbitrator approves an increase in an amount less than the amount noticed, management shall be entitled to the full amount in the interest-bearing account subject to a homeowner credit against future rent. The amount of the credit shall be the difference between the amount deposited in the interest-bearing account and the amount approved, plus a proportional amount of the interest, if any, prorated among the tenancies. Management shall notify each homeowner in writing of the amount of credit.

(c) Where a new maximum rent increase schedule has been set by the board of supervisors upon review or by the arbitrator upon rehearing, adjustments in rent paid shall be made in accordance with

subsection (b)(1) and (2) of this section. (Ord. No. 3589, § 8)

Sec. 11A-9. Cost savings.

If management reduces or eliminates any service to a homeowner in effect on the date the ordinance codified in this section became effective, management shall reduce each homeowner's rent by his proportionate share of the cost savings due to such reduction or elimination. (Ord. No. 3589, § 8)

Sec. 11A-10. Subleases and assignments.

Management may make reasonable rules regarding subleases and assignments and may increase the maximum rent schedule during the duration of the sublease or assignment by an amount not to exceed ten percent.

(a) This increase is in addition to other increases authorized under this chapter and is not subject to the once-a-year limitation of section 11A-8(a).

(b) After an increase under this section, further increases shall be governed by the provisions of this chapter.

(c) After the termination of the sublease or assignment, the maximum rent increase schedule shall be reduced to the level it would have been but for the sublease or assignment, provided that the owner tenant resumes occupancy. (Ord. No. 3589, § 8)

Sec. 11A-11. Retaliation.

Management shall not retaliate against any homeowner because of his assertion or exercise of any rights provided by this chapter. (Ord. No. 3589, § 10)

Sec. 11A-12. Penalties.

(a) Any wilful violation of the provisions of this chapter shall be punished by a fine not exceeding five hundred dollars or imprisonment for a term not exceeding six months, or by both such fine and imprisonment. Every day any such violation shall continue shall constitute a separate offense.

(b) Any homeowner aggrieved by the wilful violation of any of the provisions of this chapter may sue thereon and recover actual damages therefor, plus a

civil penalty not to exceed two hundred dollars for each such violation. (Ord. No. 3589, § 10)

Sec. 11A-13. Judicial intervention.

(a) Should the operation or enforcement of this chapter, as amended, be stayed or temporarily restrained or preliminarily enjoined by a court of competent jurisdiction, petitions may continue to be filed as authorized herein and will be heard as provided herein on the discharge of such stay or temporary restraining order or preliminary injunction, to the extent permitted by the court. The time in which to decide such petitions shall be extended by the time such stay, order or injunction was in effect.

(b) Should any decision of a mobilehome rent control board be set aside and remanded, the petition on which such decision was based shall be reheard by the arbitrator and a new decision made within ninety days of the date the previous decision was set aside, excluding from the computation of such period any time during which this chapter, as amended, was stayed, temporarily restrained or preliminarily enjoined.

(1) The new decision shall become effective as if it were the original decision subject to section 11A-5.

(2) Any rent paid by homeowners in excess of that approved by the subsequent decision shall be credited to homeowners in accordance with section 11A-8(b)(2) insofar as possible.

(3) Any rent paid by homeowners less than that approved by the subsequent decision shall be prorated among the tenancies. (Ord. No. 3179, § 18; Ord. No. 3185, § 2; Ord. No. 3589, § 11)

Sec. 11A-14. Increase upon sale.

(a) Except as provided below, a "sale" is a change of ownership of a mobilehome whether or not for value.

(b) A change of ownership which, if a mobilehome were real property, would be excluded from reassessment under California Revenue and Taxation Code Sections 62 and 63 as the same exist on the date of enactment of the ordinance codified in this

section or as later amended is not a sale pursuant to this section.

(c) Management may increase the maximum rent schedule, less amounts for capital improvements and capital expenses, if any, by an amount not to exceed ten percent upon the sale of a mobilehome in accordance with the provisions of this section and subject to the following:

(1) This increase may be made on the first sale following the effective date of the ordinance codified in this section.

(2) Increases may be made following subsequent sales provided that at least sixty months shall have elapsed between that sale and the previous sale.

(d) This increase is in addition to other increases under this section and is not subject to the once-a-year limitation of section 11A-8(a).

(e) After an increase under this section, further increases shall be governed by the provisions of this chapter. (Ord. No. 3678, § 3)

Sec. 11A-15. Severability.

If any provision of this chapter or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the chapter which can be given effect without the invalid provisions or application, and to this end the provisions of this chapter are severable. (Ord. No. 3122, § 1; Ord. No. 3179, § 17; Ord. No. 3185, § 3)