

ORDINANCE NO. 2860

**AN ORDINANCE OF THE CITY COUNCIL OF THE
CITY OF EL MONTE AMENDING CHAPTER 8.70
(MOBILEHOME PARK RENT STABILIZATION) TO
TITLE 8 (HEALTH AND SAFETY) REGARDING
MOBILEHOME PARK RENT STABILIZATION**

WHEREAS, the California legislature has found that "California is experiencing a severe housing shortage that compounds itself further each year"; (Health & Saf. Code, § 50840), and

WHEREAS, the California Legislature has enacted a comprehensive set of planning and housing laws in recognition of the State's dire housing shortage (Gov. Code, § 65582.1); and

WHEREAS, California laws obligate local governments to adopt planning and zoning policies that address the housing needs of all economic segments of the community; and

WHEREAS, California law requires that municipalities undertake policies to meet the needs of very low-income residents (Gov. Code, § 65583); and

WHEREAS, mobilehomes constitute a unique sector of the housing market because mobilehome owners own dwelling units manufactured in factories but not the land on which they are situated, unlike traditional home ownership in which the homeowner owns both the house and the land upon which it sits; and

WHEREAS, certain mobilehomes are owned by the mobilehome park owner in which they are located, which eliminates the distinguishing characteristic of mobilehome housing (i.e. split ownership of the underlying land and the homes on the land) and rentals of such park-owned mobilehomes are comparable to apartment rentals in the sense that the park owner is providing and maintaining the structure as well as the land; and

WHEREAS, the U.S. Supreme Court has noted that mobilehomes are as a practical matter are immobile. In *Yee v. City of Escondido* (1992) 503 U.S. 519, 523, the U.S. Supreme Court explained:

"The term 'mobile home' 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 mobilehome itself. They are generally placed permanently in parks; once in place, only about 1 in every 100 mobile homes is ever moved..."; and

WHEREAS, the California Legislature enacted the Mobilehome Residency Law (Civil Code, § 798, et seq), which confers many rights and protections on mobilehome residents. The Legislature found that:

"because of the high cost of moving mobilehomes, the potential for damage resulting therefrom, the requirements relating to the installation of mobilehomes, and the cost of landscaping or lot preparation, it is necessary that the owners of mobilehomes occupied within mobilehome parks be provided with the unique protection from actual or constructive eviction afforded by the provisions of this chapter." (Civ. Code, § 798.55(a))"

WHEREAS, local jurisdictions, such as the City, have the authority to adopt and implement mobilehome park rent stabilization ordinances (Civ. Code, § 798.17); and

WHEREAS, on April 10, 1990, the voters of the City of El Monte (the "City") approved the "Mobilehome Tenant Rent Assistance Program" initiative ordinance (the "1990 Ordinance") which precluded the City Council of the City of El Monte (the "City Council") from enacting any measure which "authorizes restrictions, ceilings, controls, or arbitration, mediation, administrative hearings, or trials concerning or which in any way relates to the subject to [sic] mobilehome park rents in El Monte which affects any Landlord...." (Source of quoted language: 1990 Ordinance); and

WHEREAS, at the November 6, 2012, General Municipal Election, the City voters approved Measure F, entitled "El Monte Fairness For Mobilehome Owners Ordinance," which repealed the 1990 Ordinance and restored full police power to the City Council to conduct inquiry into rents being charged in mobilehome parks in the City; and

WHEREAS, on September 3, 2013, the City Council of the City of El Monte approved City Council Ordinance No. 2829 ("Ordinance No. 2829"), which implemented mobilehome rent stabilization for mobilehome parks with more than one hundred (100) spaces in the City; and

WHEREAS, the City Council found it to be in the interest of mobilehome park residents and owners, and the community at large that the City undertake a comprehensive study to consider regulations to protect affordable housing resources within mobilehome parks, including but not limited to, mobilehome park rent stabilization regulations; and

WHEREAS, such a study was a requirement under Ordinance No. 2829; and

WHEREAS, pursuant to this requirement, the City Council authorized the City's retention of a consultant, to conduct a demographic and economic study of the mobilehome park housing in the City and issues and options related to City policy in regard to mobilehome parks (the "Study"); and

WHEREAS, a study was undertaken by Kenneth K. Baar, who has been recognized as an expert on mobilehome park issues and whose publications have been frequently been cited in California appellate court opinions; and

WHEREAS, the Study was presented to the City Council at its regular meeting on February 24, 2015 and copies of the Study are available online at <http://www.elmonteca.gov/Government/EconomicDevelopment/Housing.aspx> and at the office of the City Clerk; and

WHEREAS, the City Council seeks to modify its regulation of mobilehome rents based upon the Study's findings.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF EL MONTE, CALIFORNIA DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. The recitals above are true and correct and incorporated herein by reference.

SECTION 2. Chapter 8.70 (Mobilehome Park Rent Stabilization) of Title 8 (Health and Safety) of the El Monte Municipal Code is amended in its entirety to read as follows:

Chapter 8.70 – Mobilehome Park Rent Stabilization

8.70.010 Purpose and findings.

8.70.020 Definitions.

8.70.030 Applicability of chapter.

8.70.040 Exemptions from this chapter.

8.70.050 Permissible rent increases.

8.70.060 Annual increases based on increases in the Consumer Price Index (CPI).

8.70.070 Allowable rent following the expiration of an exempt lease.

8.70.075 Rent levels for in-place sales of mobilehomes.

8.70.080 Fair return standard.

8.70.090 Procedures for City review of mobilehome park owner petition for rent adjustment in order to obtain a fair return.

8.70.100 Rent increases for new capital improvements.

8.70.110 Rent reductions for service reductions.

8.70.120 Waivers.

8.70.130 Information to be supplied by the park owner to tenants and prospective tenants and information to be provided by the city to the public.

8.70.140 Resident representatives – Applicable to all city mobilehome parks.

8.70.150 Rights of prospective tenants.

8.70.160 Annual registration and other notices required from owner – Applicable to all city mobilehome parks.

8.70.170 Retaliation prohibited.

8.70.180 Excessive rents or demands therefor.

8.70.190 Excessive rents – civil penalties.

8.70.200 Rules and guidelines.

8.70.210 Authority of city council to bring action to compel compliance.

8.70.220 Appeal of decisions pursuant to this chapter.

8.70.010 Purpose and findings.

A. The purposes of this Chapter are to:

1. Prevent excessive and unreasonable increases in mobilehome park space rents.
2. Preserve the availability of available mobilehome park spaces in the City.

3. Enable mobilehome owners to preserve their equity in their mobilehomes.
 4. Permit mobilehome park owners to receive a fair return.
 5. Help preserve the affordability of space rents within the City.
- B. In the City, there are 33 mobilehome parks with 1,427 spaces for mobilehomes.
 - C. The mobilehome parks in the City are very diverse in terms of size and facilities.
 - D. The survey conducted as part of the Study found a very low level of household incomes among mobilehome owners. 48% of the households responding to the City had an annual income under \$15,000. 14.3% had an annual income between \$15,000 and \$19,999.
 - E. A survey of 50 mobilehome parks in other cities in the area confirmed that the rate of vacant spaces is very low – 1.34% – and indicated that turnover in mobilehome ownership in mobilehome parks is low – usually under 10% per year and commonly under 5% per year.
 - F. Of the 50 parks surveyed in other cities, none reported a higher average rent than \$1,025. In the largest mobilehome park in the City, which contains over one quarter of the mobilehome spaces in the City, the average rent is \$1,243.
 - G. If a mobilehome owner in the City cannot afford the rents in the mobilehome park he or she is residing in and desires to move into another mobilehome park, it would be necessary for him or her to purchase a mobilehome already in the other park, because only newer mobilehomes would be accepted in another mobilehome park.
 - H. The survey conducted as part of the Study found that 63.9% of mobilehome park residents who responded live in singlewide mobilehomes and 35.4% live in doublewide mobilehomes.
 - I. The survey conducted as part of the Study, found that a majority of respondents had purchased their mobilehomes for under \$15,000. 80% of the singlewide homes purchase prices costs \$15,000 or less.
 - J. Approximately 90 jurisdictions in California have rent stabilization ordinances. Generally, such ordinances apply to all of the mobilehome parks in the jurisdiction except for very small parks (e.g. less than ten spaces).
 - K. For the purposes of meeting constitutional fair return standards under rent stabilization, a maintenance of net operating income (“MNOI”) standard is a “fairly constructed formula.” *Rainbow Disposal Co. v. Escondido Mobilehome Rent Review Bd.* (1998) 64 Cal.App.4th 1159.
 - L. Adoption of this Chapter is not subject to the California Environmental Quality Act (“CEQA”) pursuant to Section 15060(c)(2), as the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment, and Section 15060(c)(3), as 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.

8.70.020 Definitions.

- A. “City Manager” shall include the City Manager or a person designated by the City Manager to perform he functions required by this Chapter.

- B. "Consumer Price Index" means the Consumer Price Index—All Items for all urban consumers for the Los Angeles-Anaheim-Riverside area reported by the Bureau of Labor Statistics of the United States Department of Labor.
- C. "In-place transfer" means the sale or transfer of the ownership of a mobilehome with the mobilehome remaining on the mobilehome lot following the transfer.
- D. "Landlord" means a mobilehome park owner, mobilehome owner, lessor or sublessor 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.
- E. "Mobilehome" means a vehicle, designed or used for human habitation, including a camping trailer, travel trailer, motor home and slide-in camper, when used as the principal place of habitation for the occupants thereof, as well as mobilehomes as defined by Civil Code Section 798.3.
- F. "Mobilehome park" means any area or tract of land where two or more mobilehome lots are rented or leased, or held out for rent or lease, to accommodate mobilehomes used for human habitation for permanent, as opposed to transient, occupancy.
- G. "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: (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 mobilehome 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 mobilehome unit (as opposed to amounts paid for the use and occupancy of a mobilehome space); (iv) charges for laundry services; (v) storage charges.
- H. "Rent increase" means any rent demanded of or paid by a mobilehome owner or mobilehome 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 mobilehome resident or transfer of the cost without a corresponding reduction in the moneys demanded for or paid as rent.
- I. "Rental agreement" means a written agreement between a landlord and a mobilehome owner or mobilehome tenant for the use and occupancy of a rental unit to the exclusion of others.
- J. "Service reduction" means a decrease or diminution in the basic material service level provided by the park since July 2015 including but not limited to services the park owner is required to provide pursuant to: (i) California Civil Code Sections 1941.1 and 1941.2; (ii) the Mobilehome Residency Law (Civ. Code § 798, et seq.); (iii) the Mobilehome Parks Act (Health & Saf. Code § 18200 et seq.); (iv) the landlord's implied warranty of habitability; and (v) an express or implied agreement between the landlord and the resident.

8.70.030 Applicability of chapter.

This Chapter shall apply to all mobilehome park spaces within the City of El Monte except as provided in Section 8.70.040 of this Chapter.

8.70.040 Exemptions from this chapter.

- A. Spaces that are subject to a lease which exempts that space from rent regulation pursuant to the California Mobilehome Residency Law (Civ. Code § 798, et seq.)
- B. New mobilehome park spaces which are exempted pursuant to Civil Code Section 798.45.
- C. Units Owned or Operated by Government Agencies. This Chapter shall not apply to mobilehomes or mobilehome 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 mobilehome.
- D. Certain mobilehomes owned by mobilehome park owners. With the exception of Section 8.70.160 (Annual registration and other notices required from owner) and Section 8.70.140 (Resident representatives – Applicable to all city mobilehome parks), this Chapter shall not be applicable to mobilehome spaces occupied by mobilehomes which were owned by the mobilehome park owner as of July 1, 2015. All mobilehome parks in the City must comply with Section 8.70.160 and Section 8.70.140.

8.70.050 Permissible rent increases.

No rent in excess of the rent in effect as of July 1, 2015 may be charged unless authorized by one of the following Sections of this Chapter: (i) Section 8.70.060 (Annual increases based on increases in the Consumer Price Index); (ii) Section 8.70.075 (Rent levels for in-place sales of mobilehomes); (iii) Section 8.70.080 (Fair return standard); or (iv) Section 8.70.100 (Rent increases for new capital improvements).

8.70.060 Annual increases based on increases in the Consumer Price Index (CPI).

- A. Annual Rent Increases Starting in 2016. Starting in 2016, 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 of one percent.
- B. The allowable rent increase pursuant to Subsection A of this section is subject to the limitation that the rent may not be increased in calendar year 2016 over the rent in effect as of July 1, 2015, by a percentage that exceeds the percentage increase in the CPI from July 1, 2015, to the date of the notice of the increase.
- C. Notice of Annual Allowable Rent Increases.
 - 1. Notice by City Manager. The allowable annual rent increase shall be posted by March 15th of each year in City Hall and on the City's website.
 - 2. Notice in Mobilehome Parks. A copy of the clerk's notice shall be posted in a prominent place in each mobilehome park by each mobilehome park owner within three (3) business days after it is received by the mobilehome park owner.
- D. No Required Rent Decrease if the CPI Decreases. In the event that the CPI decreases, no rent decrease shall be required pursuant to this Section.

- 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.

8.70.070 Allowable rent following the 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 under this Ordinance, shall be the rent on such space in effect as of the date of expiration of the lease.

8.70.075 Rent levels for in-place sales of mobilehomes.

- A. The maximum rent which may be charged pursuant to this Chapter shall not be modified upon an in-place transfer as defined Section 8.70.020 or the replacement of the mobilehome by the homeowner.
- B. With regard to an in-place transfer of a mobilehome in which the seller of the mobilehome is the mobilehome park owner of the mobilehome park in which such mobilehome is located, the maximum rent which may be charged following the date of such sale of the mobilehome shall be the rent as of the date in which such mobilehome park owner acquired the mobilehome, adjusted by the percentage increase in the CPI since such acquisition date to the month preceding the date of such sale.

8.70.080 Fair return standard.

- A. Right of the Mobilehome Park Owner to Request Special Rent Increase. It is expected that a rent increase within the limits of Section 8.70.060 will provide the mobilehome park owner with a fair and reasonable return. However, in the event a rent increase as set forth in Section 8.70.060 does not provide the park owner with a fair and reasonable return, the mobilehome park owner may request an increase in excess of said amounts by filing a petition for rent adjustment in order to obtain a fair return, in accordance with the provisions of Sections 8.70.080 and 8.70.090.
- B. Presumption of Fair Return. For the purposes of determining the rent adjustment necessary to provide the park owner with a fair and reasonable return, it shall be presumed that the net operating income, as described below, received by the park owner in the base year, provided the park owner with a fair and reasonable return.
- C. Base Year and Current Year.
 - 1. "Base year" means the 2012 calendar year. The base year net operating income shall be determined by subtracting the actual operating expenses for the base year from the gross income realized during the base year.
 - 2. "Current year" net operating income shall be determined by annualizing the rents in effect as of the day of the mobilehome park owner's filing of a petition for rent adjustment to determine the annualized gross income and subtracting from such amount the operating expenses during the immediate preceding calendar year.
- D. Adjustment of Base Year Net Operating Income. The park owner or mobilehome owners may present evidence to rebut the presumption of fair return in Section 8.70.080 based upon evidence provided by the mobilehome park owner to the City of gross income, operating expenses, and the determination of net operating income for the base year and current year. The presumption of fair return in Section 8.70.080 may be rebutted if at least one of the following findings is made:

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 City.
 - e. Other exceptional circumstances.
- E. Calculation of Net Operating Income.
3. Net Operating Income. Net operating income shall be calculated by subtracting operating expenses from gross rental income.
 4. Gross Rental Income.
 - a. Gross rental income shall include:
 - i. Gross rents calculated as gross rental income at one hundred percent 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 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 mobilehome 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 mobilehome unit (as opposed to amounts paid for the use and occupancy of a mobilehome space).
- iv. Charges for laundry services.
- v. Storage charges.

5. Operating Expenses

- a. Included in Operating Expenses. 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 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 per affected rental unit or at a total direct cost of not less than five thousand dollars, 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 El Monte Municipal 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 City Manager 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 this 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 City Manager concludes that a differing 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 mobilehome owners to minimize, to the extent possible, the cost and expense of fair rate of return mobilehome 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 mobilehome park may serve an offer in writing to the mobilehome 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 City 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 City is not to be opened by the City 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 City Manager or by the hearing officer. Upon receiving such offer to compromise, the mobilehome park owner has seven days to accept the offer by filing a written acceptance with the City Clerk.

A mobilehome 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 mobilehome 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. Exclusions from Operating Expenses. Operating expenses shall not include the following:
 - i. Mortgage principal or interest payments or other debt service costs.
 - ii. Any penalties, fees or interest assessed or awarded for violation of any provision of this Chapter or of any other provision of law.
 - iii. Land lease expenses.
 - iv. Political contributions and payments to organizations which are substantially devoted to legislative lobbying purposes.
 - v. Depreciation.
 - vi. Any expenses for which the 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.
- F. Rent Increases for Periods Preceding Date that a Park Owner May Implement Rent Increases pursuant to this Section. In the event that the period for determining the allowable rent increase pursuant to this section exceeds one hundred twenty 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 mobilehome owners.
- G. Per Space Rent Adjustment pursuant to Fair Return Standard. The allowable rent increase per mobilehome park space pursuant to this section shall not be increased as a result of the fact that there are exempt spaces in the park.
- H. Assurance of a Fair Return. It shall be presumed that the MNOI standard provides a fair return. Nothing in this Chapter shall preclude the City Manager or hearing officer from granting an increase that is necessary in order to meet constitutional fair return requirements.

8.70.090 Procedures for City review of mobilehome park owner petition for rent adjustment in order to obtain a fair return.

- 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 days after this Chapter goes into effect. After 2015, no petition may be filed in November or December except in cases of exceptional unforeseen circumstances.
- B. Limit on Frequency of Petitions. Only one petition pursuant to this section may be filed for a mobilehome 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 City Manager.
 - 2. Petition Fee. Upon the receipt of a fair return application, the City Manager shall determine if the employment of experts will be necessary or appropriate for a proper analysis of the applicant's presentation. If the City Manager 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 city 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 administrator. The form shall include, but not be limited to:
 - a. A list of the names and addresses of all mobilehome park tenants subject to the rent increase.
 - b. A statement of the date the rent increase is proposed to be effective.
 - c. The rent for each space in the park in the base year, the current year, and the three (3) prior years.
 - d. An income and expense statement for the base year, the current year, and the three years prior to the current year.
 - e. Evidence documenting the income and expenses claimed by the 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 City shall provide notice of a petition by:
 - a. Sending a hard copy and electronic .pdf copy of the petition to the homeowners' representative;
 - b. Providing the City 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 City.

5. Determination That the Petition Is Complete. The City Manager will determine if a petition pursuant to this section is complete within thirty 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, the City Manager will inform the petitioner as to 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 business hours of the City. The City 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, the City Manager shall determine if the employment of experts will be necessary or appropriate for a proper analysis of the applicant's petition. If the City Manager so determines, the City Manager 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 City the estimated cost of expert analysis. Within thirty (30) calendar days after a petition and the required fee, if any, is submitted to the City, the City Manager 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 Mobilehome Owner Tenants. The mobilehome 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 by The City Manager within sixty (60) calendar days of the date that the application has been complete.

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. Appeal of City Manager's Decision. The decision of the City Manager may be appealed within twenty (20) calendar days to a hearing officer. An appeal by the mobilehome owner tenants must be signed by residents from a majority of the mobilehome spaces that are subject to the City Manager's decision. The appealing party shall be required to pay for costs of the appeal process in accordance with any fees set forth by resolution of the City Council.
3. Procedure for Selection of a Hearing Officer.
 - a. Qualifications. Hearing officers shall be licensed attorneys of the State Bar of California in good standing, and shall have no financial interest in mobilehomes, mobilehome spaces or mobilehome parks and shall not have represented mobilehome park owners or mobilehome park 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, the City Manager 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, the City Manager shall make all reasonable efforts to ensure that there are at least five (5) qualified candidates to form a panel of prospective hearing officers.

The 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 (Gov. Code, § 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 or fewer hearing officers on the list and may disqualify up to two 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 City 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 the City 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 city 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 city 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 the decision of the City Manager or report by the City must be submitted to the other parties at least ten (10) calendar 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 City staff and/or a consultant on behalf of the city; it shall be submitted 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 city council 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 the City Manager in a format that is easily made available and is easily usable.

- 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) business 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 city 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) calendar days of their 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 mail 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) calendar days of the date that an opposition is submitted or within seven 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 days after the proposed decision, unless either party requests an evidentiary hearing within seven (7) calendar days, in which case a final decision shall be made within seven (7) calendar days after the hearing. If the prevailing party is the mobilehome owners' representative, then the park owner shall file an affidavit with the City Manager, 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 a decision of the City Manager and conducting a hearing and issuing a final decision by the hearing officer shall not exceed one hundred eighty (180) calendar days, unless the hearing officer determines that there is good cause for extending this deadline or the city manager 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.

8.70.100 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 mobilehome 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 mobilehome 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 of at least one adult mobilehome owner in each of a majority of the mobilehome spaces which are occupied by the mobilehome owner to the proposed capital improvement. Each space shall have only one vote.

8.70.110 Rent reductions for service reductions.

- A. Definition. "Service reductions" shall mean the elimination or reduction of any material service or facility provided as of April 2015. "Service" shall also include physical improvements or amenities.
- B. Submission of Service Reduction Complaint to City Manager. A service reduction complaint shall be submitted to the City Manager 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 mobilehome 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) calendar days after the service reduction complaint is submitted to the City Manager, if the dispute is not settled, either one-third 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 city manager 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-thirds 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-thirds of the homeowners.
- D. Consolidation of Service Reduction Complaint with Consideration of Fair Return Petition. In the event that a service reduction claim is filed while a fair return petition is pending, either the City, the park owner, or the tenants may require consideration of a claim pursuant to this section in conjunction with the fair return claim.

8.70.120 Waivers.

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

8.70.130 Information to be supplied by the park owner to tenants and prospective tenants and information to be provided by the city to the public.

Posting of Chapter. A copy of this Chapter shall be posted in both English and Spanish in the office of every mobilehome park and in the recreation building or clubhouse of every mobilehome park. Only City-provided Spanish translations of this Chapter may be posted. The City's web page shall include a copy of this Chapter, a summary of this Chapter and other issues related to mobilehome park space rentals within the City, and a copy of California's Mobilehome Residency Law

8.70.140 Resident representatives – Applicable to all city mobilehome parks.

The residents of each mobilehome park in the City 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 the City Manager 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 the City Manager of any change of representative.

8.70.150 Rights of prospective tenants.

- A. Any prospective tenant must be offered the option of renting a mobilehome space in a manner which will permit the "tenant-to-be" to receive the benefits of the mobilehome space rent stabilization program which includes, but is not limited to, rental of a mobilehome space on a month-to-month basis. Such a person cannot be denied the option of a tenancy of twelve months or less in duration.
- B. The park owner shall provide each prospective tenant with a photocopy of the written notification in both English and Spanish (see Appendix A of this Chapter) and will provide each prospective tenant with a copy of this Chapter in both English and Spanish. Only City-provided Spanish translations of the written notification (Appendix A) and this Chapter may be provided .
- C. Pursuant to Civil Code Section 1632, if any mobilehome rental agreement is negotiated primarily in the Spanish, Chinese, Tagalog, Vietnamese, or Korean languages, the park owner must provide the prospective tenant with a translated copy of the text of the proposed mobilehome rental agreement from English into the same language in which it was negotiated, which includes a translation of every term and condition in that proposed rental agreement.
- D. Any effort to circumvent the requirements of this section shall be unlawful.

8.70.160 Annual registration and other notices required from owner – Applicable to all city mobilehome parks.

- A. All mobilehome parks in the City shall comply with this Section 8.70.160.
- B. Due Date. The initial annual registration statement (for calendar years 2015 and 2016) shall be due no later than December 1, 2015. Starting in 2017, no later than February 1st of each year, each park owner shall file an annual registration statement, on a form provided by the city manager.
- C. Contents of Registration Form. The registration forms shall include the following information: 1) 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; 2) the number of mobilehome spaces within the park; 3) a rent schedule reflecting the current space rents within the park; a listing of all other charges, including utilities not included in space rent, paid by mobilehome owners within the park and the approximate amount of each such charge; 4) the vacant spaces in the park; 5) the spaces which were occupied by a new household during the year, 6) spaces occupied by park owned mobilehomes, 7) the purchase prices paid by the park owner for any mobilehomes acquired by the park owner and the sale prices of any mobilehomes sold by the park owner, 8) the name and address to which all required notices and correspondence may be sent; and 9) any other information deemed relevant by the City Manager for the purposes of obtaining information deemed useful and relevant to the implementation of this Chapter and the formulation of mobilehome park legislation.in the City.
- D. Certification of Registration Forms. All registration forms, and any documentation accompanying any registration forms, shall contain an affidavit or declaration, signed by the park owner or a designated agent, with his/her signature notarized, certifying that the information contained therein is true, correct and complete.

- E. Notice of Sale of a Park. Upon the sale or transfer of a mobilehome park, the seller or transferor shall notify the City Manager of the sale or transfer and of the name and address of the buyer or transferee and shall notify the buyer or transferee of the requirements of this section . Within twenty (20) days of the sale or transfer of a mobilehome park, the buyer or transferee shall provide a new registration form.
- F. 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 8.70.080 and 8.70.090:
 - 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.

8.70.170 Retaliation prohibited.

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

8.70.180 Excessive rents or demands therefor.

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.

8.70.190 Excessive rents – 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 mobilehome owner or mobilehome 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 mobilehome owner or mobilehome tenant is the prevailing party in a civil action against a person found to have demanded, accepted, received or retained any payment of rent described in subsection A of this section, such mobilehome owner or mobilehome 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 mobilehome owner or mobilehome tenant shall be deemed to be a prevailing party if the judgment is rendered in such mobilehome owner's or mobilehome tenant's favor or if the litigation is dismissed in such mobilehome owner's or mobilehome 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.

8.70.200 Rules and guidelines.

The City Manager 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 City Council for review and approval.

8.70.210 Authority of city council to bring action to compel compliance.

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

8.70.220 Appeal of decisions pursuant to this chapter.

City 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.

Appendix A

APPENDIX A

IMPORTANT NOTICE TO PROSPECTIVE HOMEOWNER
REGARDING THE PROPOSED RENTAL AGREEMENT FOR
THE _____ MOBILEHOME 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 THIS MOBILEHOME SPACE FROM THE
PROVISIONS OF THE CITY OF EL MONTE MOBILEHOME
RENT STABILIZATION ORDINANCE FOR THE TERM OF THIS
RENTAL AGREEMENT.

THE CITY OF EL MONTE MOBILEHOME RENT STABILIZATION
ORDINANCE AND THE STATE MOBILEHOME RESIDENCY
LAW (CALIFORNIA CIVIL CODE SEC. 798 et seq.) GIVE YOU
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 MOBILEHOME PARK MANAGEMENT MAY AGREE. YOU HAVE A RIGHT TO REVIEW THIS AGREEMENT FOR 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 MOBILEHOME 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 CITY OF EL MONTE MOBILEHOME RENT REVIEW LAW, OR BECAUSE OF YOUR CHOICE TO ENTER INTO A RENTAL AGREEMENT WHICH IS SUBJECT TO THE PROVISIONS OF THAT LAW.

SECTION 2. If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance, or any part thereof is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or any part thereof. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase thereof, irrespective of the fact that any one or more section, subsection, subdivision, paragraph, sentence, clause or phrase would be subsequently declared invalid or unconstitutional.

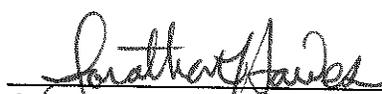
SECTION 3. The Mayor shall sign and the City Clerk shall attest to the passage of this Ordinance. The City Clerk shall cause the same to be published once in the official newspaper within fifteen (15) calendar days after its adoption. This Ordinance shall become effective thirty (30) calendar days after adoption.

PASSED, APPROVED AND ADOPTED by the City Council of the City of El Monte at the regular meeting of this 4th day of August, 2015.



Bart Patel, Mayor Pro Tem
City of El Monte

ATTEST:



Jonathan Hawes, City Clerk
City of El Monte

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF EL MONTE)

I, Jonathan Hawes, City Clerk of the City of EL Monte, hereby certify that the foregoing Ordinance No. 2860 was passed and adopted by the City Council of the City of El Monte, signed by the Mayor and attested by the City Clerk at a regular meeting of said Council held on the 4th day of August, 2015 and that said Ordinance was adopted by the following vote, to-wit:

AYES: Mayor Pro Tem Patel, Councilmembers Gomez, Macias and Martinez

NOES: None

ABSTAIN: None

ABSENT: Mayor Quintero



Jonathan Hawes, City Clerk
City of El Monte