

## Chapter 5.75

### MOBILE HOME PARKS RENT STABILIZATION PROCEDURES

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#### **Section 5.75.010 Findings and purpose.**

The relative immobility of mobile homes, the substantial investment involved in the purchase of a mobile home, and the expense, difficulty, and risk of damage in moving a mobile home has created a captive market of mobile home owners and tenants in the City. A significant portion of mobile home owners or tenants in the City are senior citizens, many of whom live on limited or fixed incomes.

It is therefore the purpose of the City Council to provide a mechanism to prevent excessive, unreasonable and frequent rent increases while at the same time recognizing the need of mobile home park owners to receive a just and reasonable return on their investment. (Ord. 6013 § 1, 1992)

#### **Section 5.75.020 Definitions.**

For the purpose of this chapter, the following words and phrases shall have the meanings given herein:

- A. "Base year" means calendar year 1991.
- B. "Capital improvements" means those improvements which materially add to the value of property, appreciably prolong its useful life, or adapt it to new uses, which are claimed by the owner as capital expenses for Internal Revenue Code purposes and which are required to be amortized over the useful life of the improvement pursuant to the Internal Revenue Code and the regulations issued pursuant thereto.
- C. "Consumer Price Index" or "CPI" means the Consumer Price Index for All Urban Consumers in the Los Angeles-Anaheim-Riverside area published by the Bureau of Labor Statistics of the United States Department of Labor.
- D. "Mobile home" means a structure designed for human habitation and for being moved on a street or highway under permit pursuant to Section 35790 of the Vehicle Code. Mobile home includes a manufactured home as defined in Section 18007 of the Health and Safety Code and a mobile home as defined in Section 18008 of the Health and Safety Code, but does not include a recreational vehicle as defined in Section 799.24 of the Civil Code and Section 18010 of the Health and Safety Code or a commercial coach as defined in

Section 18001.8 of the Health and Safety Code.

E. "Mobile home owner" or "resident" or "tenant" means any person entitled to occupy a mobile home dwelling unit in a mobile home park pursuant to a rental agreement, either oral or written.

F. "Mobile home park" means an area of land where two or more mobile home sites are rented, or held out for rent, to accommodate mobile homes used for human habitation.

G. "Mobile home park owner" or "park owner" means any owner, lessor, or sublessor of a mobile home park in the City of Riverside, and the representative, agent or successor of such owner, lessor or sublessor, who receives or is entitled to receive rent for the use or occupancy of any mobile home space thereof, and reports to the Internal Revenue Service any income received or loss of income resulting from such ownership or claims any expenses, credits or deductions because of such ownership.

H. "Park committee" means a permanent, in-park resident committee composed of mobile home owners or residents in a mobile home park.

I. "Rent" means the consideration paid for use or occupancy of a mobile home space.

J. "Rent review hearing board" or "mobile home rent review hearing board" shall mean the hearing board established pursuant to Section 5.75.055. (Ord. 6333 § 1, 1996; Ord. 6173 § 1, 1994; Ord. 6013 § 1, 1992)

#### **Section 5.75.025     Applicability.**

The provisions of this chapter shall apply to any mobile home park within the corporate limits of the City and to those residents who reside in or hold an ownership in a mobile home under a rental agreement, whether oral or in writing, of one year or less. The provisions of this chapter shall not apply to any mobile home park or portion thereof excluded pursuant to the provisions of Section 798.45 of the Civil Code or to any rental agreement exempt pursuant to the provisions of Section 798.17 of the Civil Code. (Ord. 6013 § 1, 1992)

#### **Section 5.75.030     Utilities and related services.**

If the rental charge as of calendar year 1991 included a utility service such as gas, electricity, water, cable television, sewer or other service as part of the base rent, and the obligation therefor is transferred to the residents, then the "base rent" shall be the net amount of such rent after deduction of the average monthly cost to the park owner. Such costs shall be presented to the residents with adequate documentation, and will reflect the average costs of the items for the preceding twelve months. Residents shall be notified in writing, within sixty days, of the exact amount of reduction in base rent. (Ord. 6013 § 1, 1992)

#### **Section 5.75.035     Limitation on frequency of rental increase.**

No rent increase shall be imposed by a park owner more frequently than once each calendar year, excluding a rental increase necessitated by an unforeseen assessment, special tax or general tax increase greater than two percent per annum imposed by a governmental agency or by a change in law. (Ord. 6013 § 1, 1992)

#### **Section 5.75.040     Rental increase excluded.**

No rental increase shall be subject to the provisions of this chapter that meet the following specific criteria:

A. An annual increase which does not exceed eighty percent of the percentage increase in the CPI for the twelve-month period ending August 31st of the prior year;

B. A rental increase which compensates the park owner for increases in property taxes or other government mandated costs provided such increase shall be limited to

those increases in excess of two percent per annum;

C. A rental increase resulting from a capital improvement to the mobile home park as such cost is declared and reported by the park owner for federal income tax purposes together with all interest expenses, points and other costs and charges which the park owner may incur in connection with the costs of such capital improvement; provided, however, that before the commencement of the construction of capital improvements related to new amenities, the prior approval of a majority of the spaces of the park must be obtained. Prior approval of capital improvements to existing facilities need not be obtained from the residents; provided, however, the park committee shall be notified prior to the commencement of such improvements which notice shall specify the reasons and the estimated costs therefore. The interest rate for capital improvements shall be simple interest and shall not exceed the prime rate plus two percent. No other financing costs shall be passed on. The prime rate shall be as established by the Bank of America and shall be the average rate for three months preceding the awarding of the contract for the capital improvements. The cost shall be divided by the number of years of its useful life, as such life is reported for federal income tax depreciation purposes; and the cost as thus divided shall be allocated to an equal number of adjustment periods divided equally by the total number of spaces in the park, and commencing with the adjustment period following that in which the improvement was completed. Capital improvements shall be a separate item on the billing and the date of amortization shall be provided. The City Council may by resolution establish guidelines for the determination of "capital improvements" as said term is used in this chapter;

D. Any fee provided in State law for inspection of mobile home parks and authorized to be assessed against the tenant by park owner;

E. A rental increase that occurs upon the sale of a mobile home or if the space is vacant. (Ord 7058 §1, 2009; Ord. 6173 §§ 2, 3, 1994; Ord. 6084 § 1, 1993; Ord. 6013 § 1, 1992)

#### **Section 5.75.050 Park committee.**

If a permanent in-park resident committee is not in existence as of July 1, 1992, in a mobile home park and one is desired by its residents, an election shall be held within sixty days in such mobile home park for the purpose of electing a permanent in-park resident committee of no less than three and no more than seven members ("park committee"). The park committee shall be elected based on a vote equal to at least fifty percent of the occupied mobile home spaces in that park. The park committee and park owner shall meet at the request of either party upon thirty days' written notice to the other. The park committee may establish its own rules and regulations and term of office. (Ord. 6013 § 1, 1992)

#### **Section 5.75.055 Rent Review Hearing Board.**

The City Council hereby establishes a Mobile Home Rent Review Hearing Board consisting of three City employees designated by the City Manager. Any such appointee to the Rent Review Hearing Board shall not be a resident of a mobile home park located within the City of Riverside or have any financial interest in any mobile home park located within the City. (Ord. 6845 § 1, 2006; Ord. 6333 § 2, 1996; Ord. 6013 § 1, 1992)

**Section 5.75.060 Rent increase procedures.**

Any rent increase not excluded pursuant to the provisions of Section 5.75.040 shall be unlawful and void unless it has been approved in writing by the park committee or pursuant to the provisions of this section.

A. Application for Review. A park owner shall submit an application for the review of a proposed increase in rent not excluded pursuant to the provisions of Section 5.75.040 prior to the issuance of the written notice required by Section 798.30 of the Civil Code. Such application for review shall be filed with the City Manager of City. The application for review shall include a detailed explanation of the need for the increase and the names and addresses of the residents affected and shall be under penalty of perjury. The application shall be accompanied by such processing fee as may be set from time to time by resolution of the City Council.

B. Notice of Hearing. Within fifteen days from the filing of the application for review of the proposed rental increase, the City Manager shall serve by mail notice of the date, time and place of hearing to the park owner and to each affected resident. The hearing shall not be set sooner than ten days nor more than thirty days after the date of the mailing of the notice unless a later date is agreed to by the park owner.

C. Hearings. All rent review hearings shall be conducted by the Rent Review Hearing Board in an informal manner consistent with due process of law. All parties to the hearing may have assistance in presenting evidence or in setting forth by argument their positions from an attorney or such other persons as may be designated by such party. The hearing may be continued by the Rent Review Hearing Board from time to time as may be reasonable and necessary.

D. Standards for calculations of rental increases. The Rent Review Hearing Board shall evaluate any request for rental increase based upon, but not limited to, the following guidelines:

1. The percentage of increase in the park owner's gross income from space rent on a per annum basis since the base year, which would be realized as the result of the proposed rental increase;

2. Changes in services or amenities in the park since the base year or since any such change has previously been considered in connection with a prior approved increase;

3. The percentage increase in the CPI from the base year to the date of proposed notice of the rental increase;

4. The net operating income (NOI) of the park for the current and base year as compiled in accordance with generally recognized accounting procedures;

5. It shall be rebuttably presumed that the NOI produced by a mobile home park during the base year provided the park owner with a just and reasonable return. It shall further be rebuttably presumed that, where the NOI is less than 50 percent of gross income in the base year, the park owner was receiving less than just and reasonable return on the mobile home park; and

6. Such other guidelines as established from time to time by resolution of the City Council.

E. Decision. The decision of the Rent Review Hearing Board shall be upon a majority vote of said Board. Within 15 days following the conclusion of the hearing, the decision of the Rent Review Hearing Board shall be given in writing to all parties. The findings and conclusions of the Rent Review Hearing Board shall be final and there shall be no right of appeal to the City Council. (Ord. 6333 § 3, 1996; Ord. 6013 § 1, 1992)

**Section 5.75.065 Rental increase disputes.**

A. Application for Review. In the event any park committee, or any individual mobile home owner or resident if no park committee exists, disputes that a rental increase is excluded

under the provisions of this chapter, such park committee or individual may file a petition for a review of such rental increase with the City Manager of City. Such petition shall set forth in detail the grounds for alleging the increase was in violation of this chapter and shall include the name and mailing address of the park owner and all other tenants affected by the increase as reasonably known to the appellant. The petition shall be accompanied by such processing fee as may be set forth from time to time by resolution of the City Council.

B. Notice of Hearing. Within fifteen days from the filing of the petition for review, the City Manager shall serve by mail notice of hearing to the appellant and the park owner. The hearing shall not be set sooner than ten days nor more than thirty days after the date of the mailing of the notice unless a later date is agreed to by the appellant.

C. Hearing. The hearing on the petition shall be conducted by the Rent Review Hearing Board in an informal manner consistent with due process of law. All parties to the hearing may have assistance in presenting evidence or in setting forth by argument their position from an attorney or other such person as may be designated by said party. The hearing may be continued by the Rent Review Hearing Board from time to time as may be reasonable and necessary.

D. Decision. The decision of the Rent Review Hearing Board shall be upon a majority vote of said Board. Within 15 days following the conclusion of the hearing, the decision of the Rent Review Hearing Board shall be rendered as to whether the rent increase was excluded from the provisions of this Chapter. Such decision shall be given in writing to all parties. The findings and conclusions of the Rent Review Hearing Board shall be final and there shall be no right of appeal to the City Council. If the Rent Review Hearing Board determines that the increase or any portion thereof was not excluded from the provisions of this Chapter, such rental increase or portion thereof determined to be contrary to the provisions of this Chapter which have been collected by a park owner together with the interest thereon computed at the current legal rate of interest on a judgment shall be returned to the resident by the park owner, together with the cost of the processing fee paid to City for filing the petition. (Ord. 6333 § 4, 1996; Ord. 6013 § 1, 1992)

#### **Section 5.75.070 Penalties and remedies.**

A. Misdemeanor. Any person knowingly violating any of the provisions of this chapter shall be guilty of a misdemeanor punishable as set forth in Section 1.01.110.

B. Civil Damages. Any park owner who demands, accepts, receives or retains any money as rent from a resident to which said park owner is not entitled under the provisions of this chapter shall be liable to the resident for any actual damages, attorneys' fees and costs incurred by the resident as a consequence thereof. In addition, the park owner shall be liable for an additional penalty of five hundred dollars upon a finding that the park owner willfully violated the provisions of this chapter. The resident shall bear the burden of proving entitlement to these penalties.

C. Other Remedies. The provisions of Subsections A and B above are to be construed as added remedies and not in conflict or derogation of any other actions or proceedings or remedies otherwise provided by law. (Ord. 6013 § 1, 1992)

#### **Section 5.75.075 Severability.**

If any section, subsection, sentence, clause or phrase in this chapter is for any reason held to be invalid or unconstitutional by decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this chapter. The City Council hereby declares that it would have passed this chapter and each section, subsection, clause or phrase thereof irrespective of the fact that any one or more other sections, subsections, clauses or phrases may be declared invalid or unconstitutional. (Ord. 6013 § 1, 1992)

**Section 5.75.080 Annual review.**

Each September, commencing September 1993, a public hearing shall be held at which the City Manager shall make a report to the City Council concerning activities undertaken during the prior twelve-month period. The City Council shall consider the report of the City Manager and any public comment, and take such action, if any, it deems necessary and proper. (Ord. 6013 § 1, 1992)