

**CITY OF SANTA CLARITA**  
**MANUFACTURED HOME RENTAL ADJUSTMENT PANEL MEETING**

**Monday, September 14, 2015 - 6:00 P.M.**

City Hall – Century Room, 1<sup>st</sup> Floor

23920 Valencia Boulevard

Santa Clarita, CA 91355

**AGENDA**

---

Anyone wishing to address an item on the agenda should complete a blue speaker's slip and submit it to the Panel Secretary prior to the Panel Chair announcing the item. Each person addressing the Panel is given three (3) minutes to speak.

Anyone wishing to address the Panel during the Public Participation portion of the meeting should complete a blue speaker's slip and submit it to the Panel secretary prior to the Panel Chair announcing the Public Participation portion of the meeting. Each person addressing the Panel is given three (3) minutes to speak.

---

In compliance with the Americans with Disabilities Act (ADA), if you need special assistance to participate in this meeting, please contact the Community Development Department, (661) 286-4141. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting (28CFR 35.102-35.104 ADA Title II).

---

**CALL TO ORDER**

**FLAG SALUTE**

**ROLL CALL**

**PANEL SECRETARY ANNOUNCEMENT**

**APPROVAL OF THE AGENDA**

**APPROVAL OF THE MINUTES OF DECEMBER 3, 2014**

**PUBLIC PARTICIPATION** (Three Minute Limit)

**PANEL MEMBER COMMENTS** (Three Minute Limit)

**STAFF COMMENTS**

---

**ITEM 1 APPROVAL OF REVISED PANEL APPROVED SUMMARY**

An update of Santa Clarita Municipal Code 6.02 – Manufactured Home Park Rent Adjustment Procedures (Ordinance) was adopted by the City Council on July 14, 2015, and became effective

on August 13, 2015. The adoption of the Ordinance means that the current Panel-Approved Summary is no longer accurate and must be updated.

**ITEM 2 APPROVAL OF SPACE RENT INCREASE APPEAL REQUEST FORM**

An update of Santa Clarita Municipal Code 6.02 – Manufactured Home Park Rent Adjustment Procedures (Ordinance) was adopted by the City Council on July 14, 2015, and became effective on August 13, 2015. The Ordinance contains a requirement for space rent appeals to be submitted on an Appeal Request Form which has been approved by the Panel.

**ITEM 3 DIRECTION FOR MORE FREQUENT PANEL MEETINGS**

At the December 3, 2014, meeting of the Manufactured Home Rental Adjustment Panel (Panel), Panelmember Fraser requested the Panel meet a minimum of once per year. Other members of the Panel agreed to place the issue on the agenda of a future Panel meeting for discussion and direction.

---

**ADJOURNMENT**

---

**CERTIFICATION**

I, Kimberly Luepke, Panel Secretary for the City of Santa Clarita, do hereby certify that on Friday, September 11, 2015, between the hours of 9:00 a.m. and 5:00 p.m., the foregoing agenda was posted at City Hall.

  
\_\_\_\_\_  
Kimberly Luepke, Panel Secretary  
Santa Clarita, California

**CITY OF SANTA CLARITA  
MANUFACTURED HOME RENTAL ADJUSTMENT PANEL MEETING**

**MINUTES**

**Wednesday, December 3, 2014 - 6:00 p.m.**

---

**CALL TO ORDER**

The meeting was called to order by Chair Lang at 6:05 p.m.

**FLAG SALUTE**

Chair Lang led the flag salute.

**ATTENDANCE**

All Panel members were present with the exception of Panel Member Orr.

**APPROVAL OF THE AGENDA**

Chair Lang stated that the order of the agenda would be amended, moving the public participation portion to follow the secretary announcement.

Motion by Panel Member Fraser, second by Panel Member Dukhovny to approve the agenda as amended. The amended agenda was approved by a vote of 4-0.

**APPROVAL OF THE MINUTES OF JUNE 2, 2014**

Panel Member Fraser requested a minor revision to the minutes of June 2, 2014.

Motion by Panel Member Simon, second by Panel Member Fraser to approve the minutes of June 2, 2014, as amended. The amended minutes were approved by a vote of 4-0.

**PANEL SECRETARY ANNOUNCEMENT**

Ms. Sullivan read the Panel Secretary announcement.

**PUBLIC PARTICIPATION**

Addressing the Panel were Linda Zuchegna, Tracy Bennett, and Diana Torres.

**PANEL MEMBER COMMENTS**

Panel Member Fraser requested to hold Panel meetings more often and suggested a yearly meeting. The other Panel Members concurred that this issue be discussed at a future meeting.

There were no additional Panel Member comments.

**STAFF COMMENTS**

Erin Lay, Housing Program Administrator, gave the Panel a brief update regarding the City standard for meeting minutes.

**PUBLIC HEARING**

**ITEM 1 APPEAL OF THE PROPOSED 2015 RENT INCREASE AT SAND CANYON  
MOBILE HOME PARK**

Chair Lang opened the public hearing.

Ms. Lay gave a PowerPoint presentation on the appeal of the proposed 2015 space rent increase for Sand Canyon Mobile Home Park. The appeal issues to be considered by the Panel were presented as two separate Hearing Items.

Resident spokesperson, Ray Henry, gave a verbal presentation to the Panel.

Owner spokesperson, Ahmad Ghaderi, addressed the Panel.

Both Mr. Henry and Mr. Ghaderi made rebuttal comments.

There was no public testimony.

Chair Lang closed the public testimony portion of the hearing.

Hearing Item 2: Tractor and Tree Trimming Charges was discussed prior to hearing item 1.

The Panel discussed hearing item 2 related to tractor and tree trimming charges, making the determination that they do not have the authority to reconsider decisions already made.

Motion by Panel Member Dukhovny, second by Panel Member Simon to take no action on Hearing Item 2. Voting in favor of the motion were Panel Member Simon, Panel Member Dukhovny, and Chair Lang. Voting against the motion was Panel Member Fraser.

Hearing Item 1: Timing of the proposed 2015 space rent increase

The Panel discussed hearing item 1 related to tenancies that began in 2014, prior to May 3, 2004 and the timing of the proposed 2015 space rent increase. Because Chapter 6.02 does not address timing of tenancies, the majority of the Panel concurred to take no action on the issue.

Motion by Panel Member Simon, second by Panel Member Dukhovny to take no action on hearing Item 1. Voting in favor of the motion were Panel Member Simon, Panel Member Dukhovny, and Chair Lang. Voting against the motion was Panel Member Fraser.

The Panel determined that the proposed 2015 space rent adjustment would be effective January 1, 2015, and directed staff to prepare a Resolution for adoption later in the meeting. Ms. Sullivan and Ms. Richman left the Council Chambers to prepare the resolution.

## **UNFINISHED BUSINESS**

### **ITEM 2 SANTA CLARITA MUNICIPAL CODE (SCMC) 6.02 UPDATE PROCESS**

Ms. Lay gave a PowerPoint presentation regarding the actions taken to date and the key proposed amendments to the draft updates of SCMC 6.02.

Ray Henry and Linda Zuchegna commented on this item.

Chair Lang read three written comments aloud.

Director of Community Development Tom Cole, addressed the Panel.

No formal action of the Panel was required on this item.

**ITEM 1, CONTINUED**

Ms. Richman read Draft Resolution MHP 14-03 aloud in its entirety, noting some minor edits to be made prior to the executed resolution being sent to affected parties.

Motion by Panel Member Simon, second by Panel Member Dukhovny to adopt Resolution MHP 14-03, approving a 2015 rent adjustment at the Sand Canyon Mobile Home Park pursuant to Santa Clarita Municipal Code Chapter 6.02 as read into the record. A roll call vote was taken. The motion was approved by a vote of 3-1 with Panel Member Fraser voting against the motion.

**ADJOURN**

The meeting was adjourned by Chair Lang at 9:28 p.m.

---

**Panel Secretary**

---

**Panel Chair**

S:\ACD\HOUSING\MHPARK\MINUTES\2014\12-03-14 Min.doc









CITY OF SANTA CLARITA  
STAFF REPORT

DATE: September 14, 2015  
TO: Chair Lang and Members of the Panel  
FROM: Erin Lay, Housing Program Administrator  
SUBJECT: NEW PANEL-APPROVED SUMMARY

---

INTRODUCTION

An update of Santa Clarita Municipal Code 6.02 – Manufactured Home Park Rent Adjustment Procedures (Ordinance) was adopted by the City Council on July 14, 2015, and became effective on August 13, 2015. A copy of the adopted Ordinance is attached. The adoption of the Ordinance means the current Panel-Approved Summary is no longer accurate and must be updated.

DRAFT OF UPDATED SUMMARY

The updated Summary is attached for your review. Staff developed the Summary to highlight the key points of SCMC 6.02 while keeping the document to a manageable size in order to increase readability for park residents. Once approved, this document will be translated into Spanish. The Ordinance also changes the timing and delivery method of the Summary to park residents. The Summary will now be provided to park residents with their annual space rent increase notice. Staff believes connecting the Summary to the notice will ensure park residents are provided this information in a way that is most helpful to them.

On August 17, 2015, as part of an informal panel discussion, Panelmember Fraser made suggestions on the Summary. Staff concurred with certain changes and revised the attached form to correct typographical errors. In an effort to keep the form simple, staff does not recommend including change of ownership information or requiring additional documentation for an increase based on government required services or utility costs. Likewise, staff does not support including verbiage concerning antitrust laws under the Non-Standard Space Rent Adjustment section because such language is not discussed in Chapter 6.02 and falls outside the scope of the Panel's purview.

RECOMMENDATION

Staff recommends that the Panel provide direction on the proposed Summary for final approval.

**Agenda Item: 1**

ATTACHMENTS

- A – Adopted Ordinance
- B – Draft Summary

BJ:kl

ORDINANCE NO. 15-\_\_\_\_\_

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA CLARITA,  
CALIFORNIA, AMENDING CHAPTER 6.02 OF TITLE 6 OF THE  
SANTA CLARITA MUNICIPAL CODE CONCERNING  
MANUFACTURED HOME PARK RENT ADJUSTMENT PROCEDURES

WHEREAS, almost all of the manufactured homes in the City of Santa Clarita (City) are located in rented spaces in manufactured home parks; and

WHEREAS, in the City, there are 16 manufactured home parks containing just under 2,000 spaces; and

WHEREAS, manufactured homes in manufactured home parks provide an important alternative form of housing for City residents; and

WHEREAS, a significant number of manufactured home owners and residents are older individuals, many of whom live on fixed incomes. A significant number of manufactured home owners and residents are of low or lower income. These persons may expend a substantial portion of their income on rent and may not be able to afford other housing within the City; and

WHEREAS, there is currently a serious shortage of affordable housing in the City; and

WHEREAS, manufactured homes have unique characteristics as a form of housing. First, ownership is split. The individual who owns the manufactured home typically does not own the pad on which the home is placed. Instead, the manufactured home owner typically rents a space at a manufactured home park on which the manufactured home is placed and then affixed with a foundation and landscaping. Second, manufactured homes are not mobile. Once a manufactured home is placed on a pad in a manufactured home park, it is costly to move and relocate the home. Plus, moving a manufactured home can damage the home. Third, unlike those who rent apartments or single family residences, manufactured home owners make a substantial financial investment in the homes. Fourth, senior citizens living on fixed incomes and people of low or lower income often rely on manufactured homes for their housing.

Together, these factors create a unique situation where the manufactured home owners are essentially captives of the manufactured home parks. The manufactured home park owners are in a position to charge excessive and exorbitant rents knowing that the manufactured home owners cannot readily relocate in response to rent increases. Thus, in an unregulated market, there is disparity between the respective bargaining positions of those who own the manufactured homes and those who own the manufactured home parks; and

WHEREAS, manufactured homes constitute an important source of housing for senior citizens and persons of low and moderate income. There is a limited amount of alternative housing affordable to and suitable for the typical manufactured home park resident, and manufactured home parks are a valuable resource of affordable housing; and

WHEREAS, the disparity in bargaining power discussed above still exists, and therefore the need for effective and fair manufactured home space park rent adjustment procedures continues; and

WHEREAS, the City Council desires to amend the Santa Clarita Municipal Code, consistent with state law and its police powers to regulate for the protection and benefit of the public health, safety, and general welfare of its residents, in order to address the concerns presented to the City Council by manufactured home park residents, park owners, the Manufactured Home Rental Adjustment Panel (panel), and City staff regarding the continued implementation and application of the City's Manufactured Home Park Rent Adjustment Procedures; and

WHEREAS, based on the above findings, related staff reports and presentations, and public input, the City Council hereby adopts the following Ordinance.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SANTA CLARITA, CALIFORNIA, DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Chapter 6.02 of the Santa Clarita Municipal Code is hereby amended to read as follows:

**MANUFACTURED HOME PARK RENT ADJUSTMENT PROCEDURES**

- 6.02.010 Purpose**
- 6.02.020 Definitions**
- 6.02.030 Applicability**
- 6.02.040 Manufactured Home Rental Adjustment Panel**
- 6.02.050 Registration**
- 6.02.060 Registration Fee**
- 6.02.070 Space Rent Limit**
- 6.02.080 Annual Space Rent Adjustment Notice**
- 6.02.090 Allowable Methods for Annual Space Rent Adjustments**
- 6.02.100 Appeal Considerations**
- 6.02.110 Amortization Schedule**
- 6.02.120 Annual Space Rent Adjustment Appeal Petitions**
- 6.02.130 Change in Ownership Space Rent Adjustment Procedures**
- 6.02.150 Vacant Spaces**
- 6.02.160 Appeal Hearings**
- 6.02.170 Decision of the Panel**
- 6.02.180 Miscellaneous Provisions**

**6.02.010 Purpose.**

- A. A manufactured home park resident's tenancy in a manufactured home park is substantively different than traditional apartment tenancy in that the park resident owns their manufactured home, while still being subject to space rents. Manufactured homes are costly and difficult to move, and there may not be available spaces in other nearby

manufactured home parks in which to relocate, resulting in the park resident having fewer options to move out of the park to find lower rents.

- B. Park owners, having made a business investment in the manufactured home park, have the right to receive a fair return on their property. Nonetheless, as a result of the unique tenancy circumstances of manufactured home park residents, park owners should be subject to reasonable procedures in the imposition of space rents.
- C. For these reasons, among others, the Council finds and declares it necessary to provide a process whereby manufactured home residents are not subject to excessive rent increases, while at the same time recognizing the rights of park owners to receive a fair return and rental income sufficient to cover reasonable increases in the cost of repairs, maintenance, insurance, employee services, additional amenities, and other costs of operation.
- D. Further, the intent of this chapter and its continued implementation is to:
  - 1. Prevent excessive and unreasonable manufactured home park space rent increases;
  - 2. Rectify the disparity of bargaining power that exists between owners of manufactured homes and owners of manufactured home parks;
  - 3. Provide manufactured home park owners with an annual “by-right” standard space rent increase; and
  - 4. Provide a process for ensuring manufactured home park owners a fair rate of return where the annual standard space rent increase does not provide a fair return.

**6.02.020 Definitions.**

“Capital improvements” means those new improvements which directly and primarily benefit and serve the existing residents by materially adding to the value of the park, appreciably prolonging its useful life, subject to the following limitations:

- 1. The capital improvement must have a life expectancy of three (3) years or more and must be treated as a capital improvement for federal and state income tax purposes, and may not be deducted for such tax purposes as expenses;
- 2. Normal routine maintenance and repair are not capital improvement;
- 3. Insured repairs and replacement are not capital improvements; and
- 4. The improvements must be permanently fixed in place or relatively immobile.

“Capital replacement” means the substitution, replacement, or reconstruction of a piece of existing equipment, machinery, streets, sidewalks, utility lines, landscaping, structures, or recreational amenities, which materially benefits and adds value to the park.

1. The capital replacement must have a life expectancy of three (3) years or more, and must be treated as capital replacement for federal and state income tax purposes, and may not be deducted for such tax purposes as expenses;
2. Normal routine maintenance and repair is not capital replacement; and
3. Insured repairs are not capital replacement.

“Chapter” means all sections of Chapter 6.02 of the Santa Clarita Municipal Code.

“CPI” means the Consumer Price Index (all items) prepared by the Bureau of Labor Statistics for the Los Angeles-Riverside-Orange County area relating to all urban consumers. If the method of calculating the CPI is substantially revised after the adoption of the ordinance codified in this chapter, the method in effect upon adoption of such ordinance shall continue to be used, or the revised CPI shall be adjusted by the Finance Director of the City to correspond to such method.

“Government required services” means services required by governmental agencies which are new or which are in addition to those services legally required to be provided by the park owner or the resident or the park on August 1, 1990. Such services include fees, bonds, assessments, and charges legally levied by an agency of the federal, state, or local government upon the park owner. Such services do not include predictable expenses for operation of the park, such as common area utilities, expenses, or expenses which maintain the safe and healthful use of the park facilities.

“Lease” means an agreement between the park owner and the resident establishing terms and conditions of a tenancy which includes a predetermined fixed space rent increase applied for a predetermined length of time longer than one month.

“Manufactured home” shall be synonymous with the term “mobilehome,” and means a structure designated or designed for human habitation, transported over the highways to a permanent occupancy site, and installed on the site either with or without a permanent foundation. The term “manufactured home” does not include either a recreational vehicle or a commercial coach, as such terms are defined in the Health and Safety Code.

“Manufactured home park” and “park” shall be synonymous with the term “mobilehome park” and mean an area of land where two (2) or more manufactured home spaces are rented or leased out for owner-occupied manufactured homes used as residences. The term “manufactured home park” does not include developments which sell lots for manufactured homes or which provide condominium ownership of such lots, even if one or more homes in the development are rented or leased out.

“Manufactured home park owner” or “park owner” mean the owner, lessor, operator, manager, or designated agent thereof of a manufactured home park in the City of Santa Clarita.

“Manufactured home resident” or “resident” mean any person entitled to occupy a manufactured home as the owner thereof or pursuant to a rental or lease agreement with the owner of a manufactured home.

“Panel” means the Manufactured Home Rental Adjustment Panel, as established by this chapter.

“Panel-Approved Summary” means a document approved by the panel, providing manufactured home park owners and residents with a summary of requirements related to the contents of a rent adjustment notice and the right of the resident to request a hearing before the panel, pursuant to section 6.02.120.

“Rental agreement” means an agreement between the manufactured home park owner and a resident establishing the terms and conditions of a month-to-month tenancy.

“Space rent” means the consideration, including any bonus, benefits, or gratuities, demanded or received for or in connection with the use or occupancy of a manufactured home within a manufactured home park. The use and occupancy of a rental unit shall include the exercise of all rights and privileges and use of all facilities, services, and amenities accruing to the residents thereof for which a separate fee authorized by the Mobilehome Residency Law (California Civil Code Section 798, et seq.) is not charged. Nothing herein shall be construed to prevent a park owner from establishing such fees as may be authorized by the Mobilehome Residency Law. Space rent shall not include utility charges for utility services, including gas, electricity, and/or sewer service provided to an individual manufactured home residence (as opposed to the park in general) where such charges are billed to such a resident separately from the space rent, and such charges are limited to the actual value of the utility service provided in the individual residence.

**6.02.030 Applicability.**

- A. General. The provisions of this chapter shall apply to all manufactured home park sites.
- B. Leases. The provisions of this chapter shall not apply to tenancies covered by a lease agreement in existence at the time this chapter becomes effective. This exemption shall apply only for the duration of the lease. Upon the expiration or termination of such lease, this chapter shall automatically become applicable to the tenancy. Spaces not covered by such a lease and not exempt from this chapter by state law (inclusive of Civil Code Section 798.17) shall be deemed to be spaces regulated by this chapter.

**6.02.040 Manufactured Home Rental Adjustment Panel.**

- A. Establishment. The Manufactured Home Rental Adjustment Panel of the City of Santa Clarita is hereby established.
- B. Membership. The panel shall consist of a total of five (5) members. The membership of the panel shall consist of two members elected from and by the park owners, two members elected from and by the residents, and one member chosen from a list of at least two potential members drawn up by the City Manager. The fifth member shall not be a resident of a manufactured home park, have an ownership interest in a manufactured home park, or receive financial benefit from investment in a manufactured home park. Such member shall not have a personal or professional involvement in matters relating to

manufactured home parks. The fifth member shall be chosen by majority vote of the four elected members. In the case of a tie, the City Manager shall cast the deciding vote.

- C. Elected Representatives. In no case shall both resident-representatives or both owner-representatives be from the same manufactured home park. If a panel election process results in the highest two vote-getters for the resident-representative position, or the highest two vote-getters for the owner-representative position being from the same park, the individual with the higher number of votes from that park will be seated. The second seat will be awarded to the next highest vote-getter from another park. Any dispute or contest regarding an election, the election rules, regulations, procedures, or election results shall be determined by the City Manager, and the City Manager's decision shall be final.
- D. Term of Elected Representatives. Each member of the panel shall serve for a term of three (3) years. Each member shall hold office until a new member has been duly sworn-in. In the case of a resignation from the panel during the three-year term, the next highest vote-getter from the most recent election will be considered an alternate and will be asked to fill the vacant seat, as long it does not result in both resident-representatives or both owner-representatives being from the same park. If the appointment of the next highest vote-getter will result in both resident-representatives or both owner-representatives being from the same park, the next highest vote-getter from another park will be appointed. In the case of a panel member resignation or inability to serve on the panel during the three-year term, and if there are no alternate resident-representatives or owner-representatives willing or available to fill the seat, an election will be held to fill the seat according to procedures and a schedule set by the City Manager.
- E. Term of the Appointed Member. The appointed member shall serve for a three-year term. In the case of a resignation or inability to serve on the panel during the three-year term, the City Manager shall provide the four elected members of the panel with a list of at least two (2) potential candidates, and the panel shall conduct a majority voting process as outlined in this section.
- F. Absences. Any member who is absent, without sufficient cause, from three (3) consecutive meetings of the panel shall be deemed to have vacated the office.
- G. Meetings. All meetings of the panel shall be conducted in accordance with the provisions of the Ralph M. Brown Act.
- H. Guidelines, Rules, and Regulations. The City Council may from time to time adopt by resolution such guidelines as it deems necessary to assist and direct the panel in the accomplishment of its duties. The panel may make and adopt its own rules and regulations for conducting its business consistent with the laws of the state, this chapter, and any guidelines adopted by the City Council. Any such rules and regulations shall be put in writing and be on file with the secretary of the panel at all times. The panel may appoint such officers as it may deem necessary to carry out its duties.
- I. Staff. The City Manager shall provide all administrative staff necessary to serve the panel. Staff from the Department of Community Development shall serve as the secretary of the panel and shall be responsible for the maintenance of all records of the panel. The



secretary of the panel shall keep a record of its proceedings, which shall be open for inspection by any member of the public. The City Attorney or the designee of the City Attorney shall act as legal counsel to the panel.

J. Quorum. A quorum shall be constituted in only one of two ways:

1. Three (3) members, with at least one (1) member elected by the residents, at least one (1) member elected by the park owners, and the fifth member chosen by the four (4) elected members; and
2. Four (4) members, with at least two (2) members elected by the residents, and at least two (2) members elected by the park owners.

K. Adoption of Findings. A majority vote of all members, i.e., three (3) votes, is required for the adoption of any findings and/or order pertaining to an application filed hereunder and for the adoption, amendment, or repeal of any rules and regulations of the panel, or to take action on any other matter.

L. Duties. The panel shall undertake and have the following duties, responsibilities, and functions, together with all powers reasonably incidental thereto:

1. To meet from time to time, as may be specified by the rules and regulations of the panel, in order to carry out its duties;
2. To hear appeals brought before them and make determinations on space rent adjustments, as provided for in this chapter;
3. To make such studies, surveys, and investigations, conduct such hearings, and obtain such information as is necessary to carry-out its powers and duties;
4. To adopt, amend, and rescind such administrative rules as may be necessary to carry-out the purposes and policies of this chapter, and to enable the panel to carry-out its powers and duties hereunder; and
5. To undertake such other related duties as may be assigned by the City Council.

#### **6.02.050 Registration.**

A. Registration. Park owners must register all manufactured home parks and manufactured home rental spaces within such parks with the Department of Community Development. The registration shall include all of the following:

1. All information requested on forms sent by the City to the park owner for the purpose of registration; and
2. A rent roll for the month immediately preceding the registration, reflecting the space number, resident name, space rents, and a listing of all other charges paid by the park resident, including:

- a. Utilities not included in space rent;
  - b. Any amortized capital improvement or replacement charges; and
  - c. Any other monthly fees as may be required of the resident.
- B. Re-registration. The Department of Community Development is hereby empowered to require such re-registration as it deems necessary.
- C. Applicability. The registration requirements provided for in this section or which may be established by the Department of Community Development shall apply to all manufactured home parks, including those exempt from the space rent ceiling limitations and procedures in the chapter by reason of the existence of a valid space rent agreement.

**6.02.060 Registration Fee.**

- A. Establishment of Fee. Park owners shall pay to the City of Santa Clarita a registration fee for each manufactured home rental space regulated by this chapter within the park as may be established by resolution of the City Council. Half of the fee paid for each space may be charged to the park resident occupying that space by a separately specified one-time charge on a space rent bill within sixty (60) calendar days after the fees have been paid to the City. The registration fee shall not apply to parks and spaces exempt from the payment of fees by state law (inclusive of Civil Code Section 798.17).
- B. Penalty. If a park owner does not pay the fee provided for in subsection A of this section within the time period established therein, a late charge shall be assessed in an amount as established by resolution of the City Council.
- C. Unpaid Fees. No panel appeal hearing shall be scheduled or take place regarding a park for which there is an unpaid registration bill. If an unpaid registration bill is paid, including any penalties accrued, a hearing may then be scheduled. Failure to pay a City registration fee is not grounds for a space rent adjustment appeal.
- D. Purpose of Fee. The registration fee provided for by this section is intended to defray any reasonable and necessary costs associated with the administration of the regulations contained in this chapter.
- E. Accounting of Funds. The Director of Community Development is directed to maintain an accurate accounting of all direct and indirect costs of administering the regulations contained in this chapter. The Director of Community Development shall submit to the City Manager a report of such costs at least annually.

**6.02.070 Space Rent Limit.**

- A. Effective Date. No manufactured home park owner shall charge space rent for any manufactured home space in an amount greater than the space rent in effect on August 1, 1990, except as permitted pursuant to the provision of this chapter.

- B. Exemption. If a park space is exempt from the application of the space rent limitation or registration fee portion of this chapter by reason of the existence of a space rent agreement and this agreement expires, the space rent limit for that space shall be the space rent in effect on the date immediately preceding the date on which the agreement expires.

**6.02.080 Annual Space Rent Adjustment Notice.**

- A. Notice. Prior to the annual space rent adjustment, the park owner shall provide the resident with a notice of proposed rent adjustment at least ninety (90) calendar days prior to the effective date of the adjustment, and issue the notice no later than October 1, to be effective either on January 1 of the following year or on the resident's anniversary date following January 1. All space rent adjustment notices shall contain all of the following information:

1. A listing of all affected spaces by space number only. The name of the resident and amount of space rent shall not be included in the listing. Affected spaces include all those spaces being notified of a proposed space rent adjustment; and
2. A copy of the current Panel-Approved Summary of this chapter. The Summary will be provided annually to the park owner by the City for inclusion in the annual space rent adjustment notice.

- B. Standard Space Rent Adjustments. For a space rent adjustment which is based on section 6.02.090(C) – Standard Space Rent Adjustments:

1. A statement that the park owner considers that portion of the space rent adjustment to be consistent with the limitations set forth in section 6.02.090(C) of this chapter;
2. The amount of that resident's space rent adjustment both in dollars and as a percentage of existing rent;
3. The amount of the resident's space rent adjustment attributable to an increase in government required services in dollars; and
4. The amount of the resident's space rent adjustment attributable to an increase in utility costs in dollars.

- C. Non-Standard Space Rent Adjustments. For a space rent adjustment which is based on section 6.02.090(D) – Non-Standard Space Rent Adjustments:

1. A statement that the park owner considers that portion of the space rent adjustment to be consistent with the limitations set forth in section 6.02.090(D);
2. The amount of that resident's space rent adjustment both in dollars and as a percentage of existing rent; and
3. Information supporting the level of non-standard space rent adjustment proposed. Such information must include the following:

- a. Increases based on 6.02.090(D)(1): Specific reference to the amortization time period assigned to each capital improvement or capital replacement as provided for in section 6.02.110 (A) and any interest costs being included;
  - b. Increases based on 6.02.090(D)(2): The mathematical calculations or summary of the analysis relied upon by the park owner to determine a fair rate of return and the amount of the proposed non-standard space rent adjustment to yield that fair rate of return as provided for in section 6.02.090(D)(2); and
  - c. A statement informing the resident that the supporting documentation for the non-standard space rent adjustment will be available to park residents at the park management office during all normally observed office hours beginning the same day the notice is provided.
- D. Supporting Documentation. The supporting documentation for a non-standard space rent adjustment shall be kept in the park management office for at least forty-five (45) days, beginning on the date of the notice of the proposed rent increase, and will be available for review by affected park residents during all normally observed office hours. In cases where a space rent appeal petition has been submitted which meets the criteria set forth at section 6.02.120, the supporting documentation shall remain available until a final determination is made on the appeal.
- E. During the periods described above, copies of all supporting documents will be provided to affected residents upon request. A resident may request the documentation in one or both of the following formats:
- 1. Physical copies shall be provided at a fee set by the park owner, not to exceed \$.25 per page; and
  - 2. Electronic copies shall be provided free of charge, in a PDF or similar format, as an email attachment sent to the requesting resident's email address.
- F. The park owner and resident shall execute a single document related to the annual rent adjustment, stating that the information, documents or notices required by this section have been received by the tenant. The original of the document acknowledging receipt of information, documents, or notices required by this section shall be retained by the owner and a copy thereof provided to the resident. In the event a resident fails or refuses to execute the document required herein within ten (10) days after the park owner's request that the tenant do so, the park owner shall prepare a declaration under penalty of perjury stating that the information, documents, or notices required by this section have been delivered to the resident, the date the park owner requested the resident to sign the joint document acknowledging receipt, and the date the declaration was executed.

**6.02.090 Allowable Methods for Annual Space Rent Adjustments.**

- A. Frequency. The annual space rent adjustment may occur only once every calendar year.

- B. Annual Space Rent Adjustment Methods. Any annual space rent adjustment shall utilize the following methods (1) an annual space rent adjustment based on section 6.02.090 (C) – Standard Space Rent Adjustments; and/or (2) an annual space rent adjustment based on section 6.02.090 (D) – Non-Standard Space Rent Adjustments.
- C. Standard Space Rent Adjustments. The following adjustments in rent shall be permitted by right and may not be appealed except in the situations specified in section 6.02.120(C). This adjustment shall be calculated using the Consumer Price Index (CPI) reported each August for the previous twelve (12) month period of August 1 through July 31 reported by the Bureau of Labor Statistics for the Los Angeles-Riverside-Orange County area.
1. An adjustment of space rent not to exceed the lesser of the annual adjustment in the CPI reported each August for the previous twelve (12) month period of August 1 through July 31 reported by the Bureau of Labor Statistics for the Los Angeles-Riverside-Orange County areas or five percent (5%). In such cases where the CPI is at or below zero percent (0%), a reduction in space rent is not required;
  2. An adjustment based on the actual increase in the cost of government-required services; and
  3. An adjustment based on the actual increase in utility costs where such utilities are included in the space rent.

The Director of Community Development or designee, annually, will receive the CPI updated result and cause notice of such to be mailed to each park owner and park resident in the City. Such standard space rent adjustments will be calculated on the space rent only, and will not be calculated on monthly costs related to amortized capital improvements or replacements, utilities, or other costs not part of the space rent.

- D. Non-Standard Space Rent Adjustments. A non-standard space rent adjustment may be based on any of the following:
1. An adjustment, prorated equally among all the spaces in the park, to pay for the actual costs of capital improvement or capital replacement as defined in the definitions section of this chapter, which were incurred within the twenty-four (24) months prior to the date of the rent adjustment notice, and are not otherwise disallowed by state law. Costs must be amortized as permitted in section 6.02.110. The interest costs incurred to finance the capital improvement or capital replacement may be included in the total amount amortized. If such interest costs are included, they may not exceed those amounts which are based on commercially available rates for financing obtained from outside sources or the Wall Street Journal prime rate for funds borrowed internally; and/or
  2. An adjustment, prorated equally among all the spaces in the park, designed to provide the park owner with a fair and reasonable rate of return on investment. This adjustment must be supported by:
    - a. An explanation of how the park owner has determined what it considers to be a fair rate of return. This explanation could include, but is not limited to, documents

supporting the prevailing standards for a rate of return on investments in manufactured home parks, or other similar investments; and

- b. A financial analysis of the proposed rent increase showing information that demonstrates to the panel that the proposed increase is necessary to receive a fair rate of return.
- c. In reviewing a fair rate of return increase, the panel shall determine what is fair and reasonable under the circumstances, taking into account all relevant factors, which may include the following non-exclusive list of factors:
  - i. Debt Service Costs. Where such costs are limited to increases in interest payments from those interest payments made during the base year which result from one of the following situations, or the equivalent thereof:
    - 1) Refinancing of the outstanding principal owed for the acquisition of a park where such refinancing is mandated by the terms of a financing transaction made on commercially available terms, e.g., termination of a loan with a balloon payment; or increased interest costs incurred as a result of a variable interest rate loan used to finance the acquisition of the park on commercially available terms; or
    - 2) Increases in rental payments made on leases of land, and under such circumstances, the park owner may include as expenses an amount not to exceed the increase in such land lease rental payments occurring since the previous rental adjustment for the park where such increase in land lease rental payments is the result of inflation or the decrease in space rental income, or based on other terms documented in writing. Such increased land lease rental obligations shall be permitted only where the park owner can show that the terms of the lease are reasonable and consistent with prudent business practices under the circumstances. In refinancing, increased interest shall be permitted to be considered as an operating expense only where the park owner can show that the terms of the refinancing were reasonable and consistent with prudent business practices under the circumstances.
  - ii. The rental history of the manufactured home park, including:
    - 1) The presence or absence of past increases;
    - 2) The frequency of past rent increases and the amounts;
    - 3) The park owner's response to any cost reduction measure; and
    - 4) The occupancy rate of the manufactured home park in comparison to comparable units in the same general area.

- iii. The physical condition of the manufactured space or the park of which it is a part, including the quantity and quality of maintenance and repairs performed during the last twelve (12) months.
  - iv. Any increases or reduction in services during the twelve (12) months prior to the effective date of the proposed rent increase.
  - v. Existing space rents for comparable spaces in comparable parks, with consideration given to the comparable quality of the park amenities and services.
  - vi. A fair return on investment prorated among the spaces of the park.
  - vii. Other financial information in support of the increase.
  - viii. The cost of capital replacement(s) or capital improvement(s) as defined in 6.02.090 (D)(1).
- E. Duplication of Costs. An amortized capital improvement or capital replacement cost imposed as part of a non-standard space rent increase permitted in section 6.02.090 (D)(1) may not be used in the calculation of a subsequent annual increase to recover a fair and reasonable return on the property as permitted in section 6.02.090 (D)(2). Conversely, a cost used in the calculation of an increase imposed as part of a non-standard increase permitted in section 6.02.090(D)(2) may not be used in a subsequent annual increase as an amortized cost provided for in section 6.02.090(D)(1). Furthermore, costs that are not permitted to be passed on to the manufactured home park residents under state law shall not be permitted in any rent increase.

**6.02.100 Appeal Considerations.**

- A. Standard Space Rent Adjustments. In the case of a standard space rent adjustment, an appeal may only be brought before the panel in the situations outlined in section 6.02.120(C). In making their determination, the panel may consider all relevant information and may request any such information or documentation as they deem necessary, including but not limited to:
- 1. Verbal testimony
  - 2. Copies of bills, invoices, or statements
  - 3. Copies of receipts or checks
  - 4. Other documents supporting the level of increase proposed
- B. Non-Standard Space Rent Adjustments. In making their determination on the appeal of a non-standard space rent adjustment, the panel may consider all relevant information, including but not limited to:

1. Verbal testimony
  2. Copies of documents made available to the residents as part of the noticing requirement, outlined in section 6.02.080(D)
  3. Other documents supporting the level of increase proposed
- C. Burden of Proof. The burden is on the park owner to provide sufficient information and documentation to support the level of increase proposed in a non-standard increase. The panel will have the authority to determine the sufficiency of the information and documentation provided and to request, as they deem necessary, additional documentation to assist them in their determination.

**6.02.110 Amortization Schedule.**

- A. For the purpose of determining any rent adjustment permitted under the provisions of this chapter, the cost of capital improvements or capital replacements shall be amortized, according to the following schedule, for those items listed. For items meeting the definition of capital improvement or capital replacement herein, but not listed on the amortization schedule, the amortization period shall be consistent with that prescribed by federal law for depreciation.

Type of Improvement or Replacement	Amortization period
Backflow device	10 years
Carpeting	5 years
Copier	6 years
Copper pipes	10 years
Drapes	5 years
Gas barbecue	3 years
Gas line	15 years
Gas valve and fire hydrant	10 years
Heater motor	5 years
Houses	30 years
Light fixtures	5 years
Linoleum floor	5 years
Oven	6 years
Patio furniture	5 years
Pool heater	5 years



Pump	5 years
Refrigerator	6 years
Roofing	18 years
Security fence	5 years
Sewer line construction	15 years
Solar system	10 years
Telephone system	6 years
Water heater	10 years
Water softener	5 years

- B. Space Rent Invoice Documentation. Any amortized capital improvement or capital replacement cost imposed as part of a non-standard space rent adjustment must be clearly marked on the space rent invoice, or on another document included with the space rent invoice, with the name of the capital improvement or capital replacement, the monthly amount, and the date the cost will expire.
- C. Amortized Costs Not Removed. A request for a hearing based on an amortized cost not removed in a timely manner may be part of the appeal petition of an annual space rent adjustment, or as a separate item. If an appeal petition based on an amortized cost not removed in a timely manner is submitted outside the annual space rent adjustment appeal process, it must meet the requirements of section 6.02.120 (D) through (G). If the panel determines that an amortized cost was not removed in a timely manner, resulting in overpayment by the park residents, the panel may require the amortized cost to be removed and may require the park owner to reimburse affected residents the amount of overpayment, subject to any limitations imposed by law at the time of the panel's decision.

**6.02.120 Annual Space Rent Adjustment Appeal Petitions.**

- A. Time Limits. A petition requesting an appeal hearing for an annual space rent adjustment as allowed for in this chapter, must be filed with the Department of Community Development within forty-five (45) calendar days of service of the notice of proposed space rent adjustment, or forty-five (45) calendar days from the date of the space rent increase if no notice is received, whichever occurs earlier.
- B. Insufficient Notice. Appeals may be filed for either standard or non-standard space rent adjustments based on the claim that a notice is insufficient because it does not meet the requirements of section 6.02.080. However, if no appeal petition meeting the requirements of this section is received, or if the appeal petition does not identify insufficiency of the notice as a cause for appeal, the notice will be considered valid and sufficient.
- C. An appeal may not be filed and will not be heard for a standard space rent adjustment based on section 6.02.090(C), except for one or more of the following reasons:

1. The CPI percentage adjustment proposed in the notice is above the actual CPI percentage provided in the City's most recent notice to the park residents and park owners;
  2. The increased costs of government required services or utility costs in the proposed space rent adjustment are greater than the actual costs incurred by the park owner; and
  3. A notice that is not substantially in conformance with the requirements of section 6.02.080.
- D. Appeal Request Form. Appeal petitions must be submitted on an Appeal Request Form approved by the panel and obtained from the Community Development Department. All pages of the form must be complete, and the petition signature page must contain signatures from residents of at least fifty percent (50%) of the spaces regulated by this chapter and affected by the proposed space rent adjustment, plus one additional regulated and affected space.
- E. Appeal Justifications. The appeal petition must contain all causes for appeal when it is submitted. Additional causes for appeal may not be added to the petition after the petition has been submitted. Notwithstanding, if the panel in its investigation determines there are additional causes for appeal, they may include those additional causes of appeal through a majority vote of and make a determination regarding them.
- F. Park Owner Notification. The residents submitting the appeal must provide a full copy of the appeal petition to the park owners within ten (10) calendar days of submission to the Department of Community Development.
- G. Determination by Director of Community Development. It shall be the sole discretion of the Director of Community Development (Director) to determine if the basis upon which the petition for appeal is filed meets the criteria set forth in this chapter. No hearing will be scheduled unless such a determination is made. Only if the Director determines that the appeal meets the criteria of this chapter will a hearing be scheduled.
1. If the Director determines that an appeal petition does not meet the criteria set forth in this chapter, the Director shall cause the park owner or other person designated on the park's registration and the affected residents to be notified. Such notice shall be mailed, first-class postage prepaid, within fifteen (15) calendar days of the submission of the appeal petition; and
  2. If the Director determines that an appeal petition meets the criteria set forth in this chapter, he shall cause the park owner or other person designated on the park's registration and the affected residents to be notified of the time, date, and place of the hearing. Such notice shall be mailed, first-class postage prepaid, at least fifteen (15) calendar days prior to the scheduled hearing date.

**6.02.130 Change in Ownership Space Rent Adjustment Procedures.**

- A. **Manufactured Home Sale.** Notwithstanding any other provision of this chapter, if a manufactured home is voluntarily vacated by all tenants as a result of a sale of the manufactured home to a new owner, and the manufactured home is not removed from the site, then the rent may be increased by an amount not to exceed ten percent (10%). The rent may only be increased pursuant to this section once in any twelve (12) consecutive-month period, regardless of additional changes in ownership. A change in ownership increase does not preclude an annual space rent adjustment in the same calendar year, so long as all noticing requirements as set forth in section 6.02.080(C) are observed.
- B. **Notice to Prospective Manufactured Home Buyer.** As required in California Civil Code section 798.74.5, within two (2) business days of receiving a request from a prospective homeowner for an application for residency for a specific space within a manufactured home park, if the management has been advised that the manufactured home occupying that space is for sale, the management shall give the prospective homeowner a separate document entitled "INFORMATION FOR PROSPECTIVE HOMEOWNERS," which will include the space rent for the prospective manufactured home buyer.
- C. **Notice to Manufactured Home Seller.** The park owner will also provide a copy of Information for Prospective Homeowners to the resident selling their manufactured home. It shall be the responsibility of the current manufactured home owner selling the manufactured home to verify that the proposed space rent for the prospective buyer of their manufactured home does not exceed the increase allowed in this section.
- D. **Remedy.** If a manufactured home park resident seller or prospective manufactured home park buyer believes that the park owner is exceeding the permitted ten percent (10%) increase on space rent for a change in ownership, the party may seek any judicial remedy provided by law to enforce this section.

**6.02.150 Vacant Spaces.**

If a space becomes vacant by virtue of there being no manufactured home situated on the space, or the manufactured home on the space is owned by the park owner and the space has not been rented to a resident for at least thirty (30) calendar days, the space rent may be increased to a rate as determined by the park owner at the time the space is initially rented to a new manufactured home owner. Once the space is rented to a new manufactured home owner, all other controls in this chapter shall become effective.

**6.02.160 Appeal Hearings.**

- A. **Conduct of Hearing.** The park owner and residents may appear at the rent adjustment hearing and offer oral and documentary evidence. All parties to a rent adjustment hearing may have assistance in presenting evidence and testimony and developing their position from attorneys, experts, or such other persons as may be designated by said parties. The hearing may be continued for a reasonable period of time as determined by the panel upon

the consent of the parties or upon a finding of good cause for such continuance made by the panel. All hearings and deliberations of the panel shall be open to the public.

- B. **Timeliness.** During the course of an appeal hearing, the panel may request information from the park owners or park residents. If such information is not provided in a timely manner, or such information is not sufficient for the panel to make their determination, the panel may disallow all or any portion of the proposed space rent adjustment. The panel will have the authority to determine the timeliness and sufficiency of any information provided.
- C. **Appeal Justifications.** Rent adjustment hearings for standard space rent increases may only be held for the causes specified in section 6.02.120(B) and (C). Rent adjustment hearings for non-standard increases may be held for causes specified in section 6.02.120(B), or other causes determined to be within the purview of the panel as outlined in section 6.02.120(D).
- D. **Rules of Evidence.** The hearing need not be conducted according to the technical rules relating to evidence and witnesses, as applicable in courts of law. To be admissible, evidence shall be of the type on which responsible persons are accustomed to rely in the conduct of serious affairs. A full and fair hearing shall be accorded to the parties to the hearing.
- E. **Preserving the Record.** The proceedings shall be recorded electronically. Any party who desires that the proceedings be recorded stenographically shall make arrangements with the Department of Community Development at least five (5) calendar days before the hearing. Any transcripts prepared by a reporter at the party's request shall be at his or her expense, and the original shall be filed with the Department of Community Development. If the party makes a request for a transcript of the electronic recording at the time of or after the hearing, he or she shall make arrangements to copy the official recording with the Department of Community Development. All expenses incurred for the transcript will be borne by the requesting party.
- F. **Subpoenas.** The panel may issue subpoenas requiring the attendance of witnesses and/or the production of books or other documents necessary for evidence of testimony in any action or proceedings before the panel upon request by the panel. Said subpoenas shall be signed by the chairperson or his or her designated substitute and attested by the secretary. Failure to comply with such subpoena shall result in contempt proceedings under Government Code Sections 37106 through 37109.

#### **6.02.170 Decision of the Panel.**

- A. **Timing.** After reviewing the record and any additional evidence requested of the parties which has been provided, the panel shall make its determination in accordance with the standards specified in this chapter. The panel shall render its findings and decisions by written resolution no later than the end of the next panel meeting following the close of the panel's discussion on the matter before them.

- B. Notification of Determination. The secretary shall, within ten (10) days after such decision is rendered, send a copy of the panel's findings and decision, by first class postage prepaid, to the park owner or other person designated on the park's registration and to the affected residents residing in the park for which the space rent adjustment appeal was brought.
- C. Final Decision. Any decision of the panel must be supported by a preponderance of the evidence. The panel's allowance or disallowance of any rent adjustment or portion thereof may be reasonably conditioned in any manner necessary to carry out the purpose of this chapter. The decision of the panel shall be final and binding on all parties and shall not be subject to appeal or any additional panel reconsideration. A party not satisfied with a decision of the panel may seek any judicial remedy provided by law.

**6.02.180 Miscellaneous Provisions.**

- A. Waiver Ability. Rental agreements between a park owner and resident which are exempted from local regulation by California Civil Code Section 798.17 or other state statutes are permitted. The rental rates and other terms of such agreements shall prevail over regulations and decisions made pursuant to this chapter. For all such rental agreements which expire, the last monthly rental rate charged under the rental agreement shall be the space rent ceiling used to calculate the annual adjustment for the space. Any other provisions or agreement, whether oral or written, in or pertaining to a rental agreement whereby any provision of the ordinance or decision or regulation of the panel for the benefit of a resident is waived, shall be deemed to be against public policy and shall be void.
- B. Severability. If any provision or clause of this chapter or the application thereof to any person or circumstance is held to be unconstitutional or to be otherwise invalid by any court of competent jurisdiction, such invalidity shall not affect other chapter provisions or clauses or applications thereof which can be implemented without the invalid provision or clause or application, and to this end, the provision and clauses of this chapter are declared to be severable.
- C. Subpoenas. The panel may issue subpoenas requiring the attendance of witnesses and/or the production of books or other documents necessary for evidence of testimony in any action or proceedings before the panel upon request by the panel. Failure to comply with such subpoena shall result in contempt proceedings under Government Code Sections 37106 through 37109.

SECTION 2. Severability. If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision will not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have passed this Ordinance, and each and every section, subsection, sentence, clause, or phrase not declared invalid or unconstitutional, without regard to whether any portion of the Ordinance would be subsequently declared invalid or unconstitutional.

SECTION 3. This Ordinance shall be in full force and effect thirty (30) days from its passage and adoption.

SECTION 4. Notwithstanding the prior section, the provisions of this Ordinance applying to the Manufactured Home Rental Adjustment Panel, as provided for in Section 6.02.040, shall not go into effect until the commencement of the panel's next election cycle in 2016, with an exception for the need to address any vacancies that may occur prior to the next election cycle.

SECTION 5. The City Clerk shall certify to the passage of this Ordinance and shall cause the same to be published as required by law.

PASSED, APPROVED, AND ADOPTED this \_\_\_\_ day of \_\_\_\_\_ 2015.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

DATE: \_\_\_\_\_

STATE OF CALIFORNIA            )  
COUNTY OF LOS ANGELES       ) ss.  
CITY OF SANTA CLARITA         )

I, Kevin Tonoian, City Clerk of the City of Santa Clarita, do hereby certify that the foregoing Ordinance 15-    was regularly introduced and placed upon its first reading at a regular meeting of the City Council on the 23<sup>rd</sup> day of June 2015. That thereafter, said Ordinance was duly passed and adopted at a regular meeting of the City Council on the \_\_\_\_ day of \_\_\_\_\_ 2015, by the following vote, to wit:

AYES:            COUNCILMEMBERS:

NOES:            COUNCILMEMBERS:

ABSENT:         COUNCILMEMBERS:

AND I FURTHER CERTIFY that the foregoing is the original of Ordinance 15-    and was published in The Signal newspaper in accordance with State Law (G.C. 40806).

\_\_\_\_\_  
CITY CLERK



~ ATTENTION MANUFACTURED HOME PARK RESIDENTS ~

***Panel-Approved Summary of Santa Clarita Municipal Code 6.02 –  
Manufactured Home Park Rent Adjustment Procedures***

(Revisions adopted September 14, 2015)

Santa Clarita Municipal Code (SCMC) 6.02 – *Manufactured Home Rent Adjustment Procedures*, controls the way in which a manufactured home park owner may calculate and implement an annual space rent adjustment. For more information or to see the full text of SCMC 6.02, visit [santa-clarita.com/housing](http://santa-clarita.com/housing) and click on the *Manufactured Home Park Information* link.

**CALCULATION OF ALLOWABLE SPACE RENT INCREASE**

An annual space rent adjustment may contain any one or all of the three types of increase listed below. Any part of the adjustment based on 1(a) below, and implemented in 2016, may not exceed **1.4%**. Adjustments based on 1(b), 1(c), 2, or 3 may also be imposed in the same year.

**1. 6.02.090 (C) – *Standard Space Rent Adjustment***

- a) The amount of the area Consumer Price Index – All Urban Consumers for the year ending July 31, 2015 with a minimum of 0% and a maximum of 5%; and
- b) A pass through of any increase in the cost of government-required services; and
- c) A pass through of any increase in utility costs when utilities are included in the space rent.

**2. 6.02.090 (D) (1) – *Non-Standard Space Rent Adjustment (capital improvement/replacement)***

Park owners may propose an increase to pay for capital improvements or capital replacements completed within 24 months of the space rent adjustment notice as specified in SCMC 6.02.110.

**3. 6.02.090 (D) (2) – *Non-Standard Space Rent Adjustment (fair and reasonable rate of return)***

Park owners may propose an increase designed to provide a fair and reasonable rate of return. This adjustment must be supported as required in SCMC 6.02.090 (D).

**SUPPORTING DOCUMENTATION**

For Non-Standard space rent increases only, supporting documentation must be available to the park residents in the park office during normal business hours for at least 45 days following the date of the notice, or longer if an appeal is filed. Residents may request copies of the supporting documents in one or both of the following formats:

- Physical copies provided at a fee set by the park owner, not to exceed \$.25 per page
- Electronic copies provided free of charge, in a PDF or similar format, sent as an attachment to the requesting residents email address.

## **SPACE RENT INCREASE NOTICES**

Each park resident must be given notice (Notice) of a proposed space rent increase by October 1<sup>st</sup> for any increase to take place in the following calendar year. The Notice must include specific information as outlined in SCMC 6.02.080, including but not limited to:

- A copy of this summary and a list of affected spaces by space number.
- The amount of the rent increase in dollars and as a percentage of the current rent.
- For Standard adjustments: the dollar amount of any increase based on government required services or utility costs.
- For Non-Standard adjustments only:
  - A statement regarding the availability of supporting documentation.
  - The amortization period and interest costs for any portion of the adjustment based on capital improvements or capital replacements.
  - The mathematical calculations used to determine the amount of any portion of the adjustment based on a fair rate of return.

## **SPACE RENT INCREASE APPEALS**

If a resident believes the proposed space rent adjustment is not in compliance with the limits of SCMC 6.02 they may request a hearing before the Manufactured Home Rental Adjustment Panel (Panel). Appeals may only be heard by the Panel for reasons cited in SCMC 6.02.

All appeals must be submitted on an Appeal Request Form to the City Community Development Department within forty-five (45) days of the notice date. Appeals must be signed by residents of at least fifty percent (50%) of the spaces affected by the increase plus one (1) additional affected space. A resident may obtain an Appeal Request Form by going to [www.santa-clarita.com/housing](http://www.santa-clarita.com/housing) and clicking on the *Manufactured Home Park Information* link, or by calling City staff at 661.255.4141.

## **OTHER SCMC 6.02 PROVISIONS**

If an amortized cost imposed as part of a previous rent increase is not removed in a timely manner, residents may appeal based on SCMC 6.02.110 (D). This appeal may be submitted to the City at any time during the year, and is not subject to the forty-five (45) day time limit for an annual space rent increase.

## **MOBILE HOME PARK SPACES NOT SUBJECT TO SPACE RENT INCREASE LIMITS IN SCMC 6.02**

The space rent increase limits in the SCMC 6.02 DO NOT apply to spaces that are:

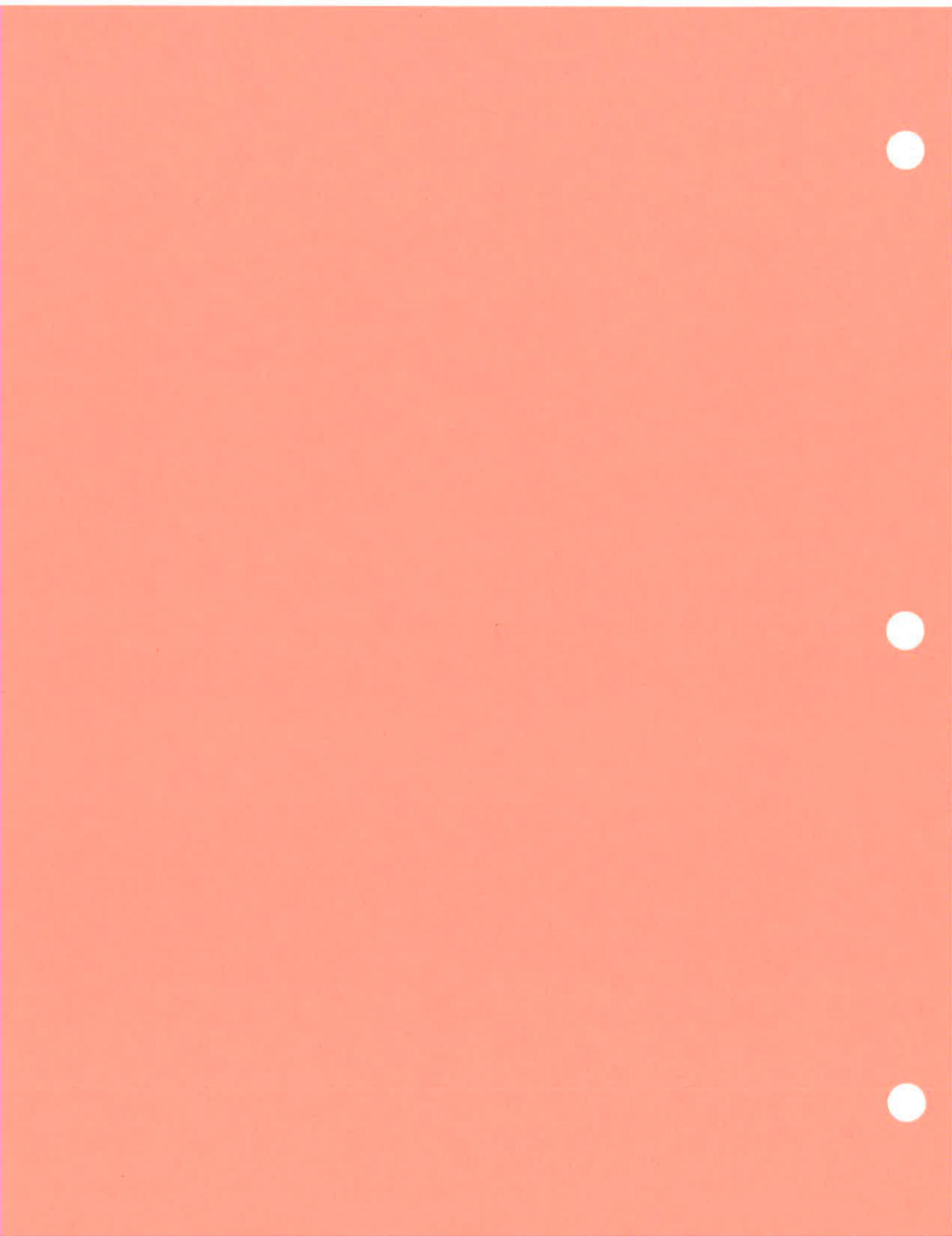
- Exempted by a lease agreement in place continuously since the inception of SCMC 6.02
- Exempted by a lease agreement that meets the criteria set forth at California Civil Code 798.17(a)
- Made available for rent for the first time after January 1, 1990

## **WHO TO CONTACT**

If you have questions or to request a copy of SCMC 6.02 be mailed to you, contact Ben Jarvis, Associate Planner at 661.286.4048 or by email at [bjarvis@santa-clarita.com](mailto:bjarvis@santa-clarita.com).







CITY OF SANTA CLARITA  
STAFF REPORT

DATE: September 14, 2015  
TO: Chair Lang and Members of the Panel  
FROM: Erin Lay, Housing Program Administrator  
SUBJECT: DRAFT APPEAL REQUEST FORM

---

INTRODUCTION

An update of Santa Clarita Municipal Code 6.02 – Manufactured Home Park Rent Adjustment Procedures (Ordinance) was adopted by the City Council on July 14, 2015, and became effective on August 13, 2015. The Ordinance contains a requirement for space rent appeals to be submitted on a Panel-approved Appeal Request Form (Form).

DRAFT APPEAL REQUEST FORM

The draft Form shown as Attachment A was developed over several months by a team of City staff who has the most experience with the new Ordinance requirements and the space rent appeal process. The Form was also reviewed by other Community Development staff who are familiar with creating forms for the public and was approved by Tom Cole, Director of Community Development. The Form is designed to be clear, concise, and user-friendly. Attachment B is a form provided to staff by Panel Member Fraser on August 12, 2015.

The Form approved by the Panel will be translated into Spanish and will be available on the City's website or upon request.

RECOMMENDATION

Staff recommends that the Panel approve Attachment A, the Draft Appeal Request Form developed by City staff.

ATTACHMENTS

- A – Draft Appeal Request Form
- B – Document provided by Panel Member Fraser

BWJ:kl

S:\CD\HOUSING\MHPARK\2015-2016\September 14, 2015 Meeting\Item 2 - Staff Report.doc

Agenda Item: 2



**Santa Clarita Municipal Code 6.02**  
***Manufactured Home Park Rent Adjustment Procedures***

**APPEAL REQUEST FORM**

---

***Please Read Carefully***

Santa Clarita Municipal Code (SCMC) 6.02 controls the way a manufactured home park owner may calculate and implement a space rent increase. The Manufactured Rental Adjustment Panel (Panel) is elected to hear appeals of proposed space rent adjustments.

This Appeal Request Form (Form) must be used in order to request a space rent increase appeal hearing before the Panel. This Form and all requested attachments must be submitted to the City of Santa Clarita (City) Community Development Department within 45 days of the receipt of the notice for annual space rent adjustment, or by November 14, whichever is earlier. Please submit to:

**City of Santa Clarita**  
**Community Development Department**  
23920 Valencia Boulevard, Suite 120  
Santa Clarita, CA 91355  
Attention : Ben Jarvis

The petition portion of the Form must be signed by the residents of at least 50% of the affected spaces in the park, plus one additional affected space.

In order for an appeal to be heard by the Panel, the basis for the appeal must be within the authority of the Panel as outlined in SCMC 6.02. Issues that are outside the authority of the Panel cannot be part of an appeal hearing. Page two of this form lists the most common basis for a space rent adjustment appeal. However, you may list your basis for the appeal in the space provided.

If you have questions about the requirements under SCMC 6.02, please contact Ben Jarvis, at 661.286.4080 or at [bjarvis@santa-clarita.com](mailto:bjarvis@santa-clarita.com).

**GENERAL INFORMATION**

*I. Manufactured Home Park Information:*

Park Name: \_\_\_\_\_

Address: \_\_\_\_\_

Date you received your space rent increase notice: \_\_\_\_\_

*II. Resident Spokesperson Information:*

Primary Spokesperson Name: \_\_\_\_\_

Address: \_\_\_\_\_ Space #: \_\_\_\_\_

Home Phone: \_\_\_\_\_ Cell Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Are you comfortable communicating by email?  Yes  No

Alternate Spokesperson Name: \_\_\_\_\_

Address: \_\_\_\_\_ Space #: \_\_\_\_\_

Home Phone: \_\_\_\_\_ Cell Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Are you comfortable communicating by email?  Yes  No

***Special Information for the Resident Spokesperson***

The primary or alternate resident Spokesperson may be contacted by City staff to obtain additional information or documentation. The primary or alternate resident Spokesperson will need to attend each of the Panel appeal hearing meetings, present the case for the appeal, and be prepared to answer any questions the Panel may have.

## **BASIS FOR APPEAL REQUEST**

This appeal is based on (check all that apply and provide the requested information when submitting these forms):

### ***I. Space Rent Adjustment Notice (SCMC 6.02.080)***

- The notice was not delivered by October 1. *Date of notice:* \_\_\_\_\_
- The notice did not meet the requirements of SCMC 6.02.080. *Attach an explanation of what information was missing.*

### ***II. Standard Space Rent Adjustments (SCMC 6.02.090(C))***

- The percentage adjustment in the Standard space rent increase exceeds the amount allowed. *Percentage on space rent adjustment notice:* \_\_\_\_\_
- The part of the space rent adjustment based on government required services or utilities exceeds the actual pro-rated costs.

### ***III. Non-Standard Space Rent Adjustments (SCMC 6.02.090(D))***

- The capital improvement or replacement does not meet the definition in SCMC 6.02.02, or was not amortized for the period of time allowed in SCMC 6.02.110.
- The capital improvement or replacement was completed earlier than 24 months prior to the space rent adjustment notice. *Date completed:* \_\_\_\_\_
- The increase based on a fair and reasonable rate of return does not meet the requirements of SCMC 6.02. *Attach an explanation of how the increase does not meet the requirements.*
- The charge for a previously approved capital improvement or replacement was not removed when it should have been. *Attach a statement of which capital improvement or replacement was not removed, and the date on which it should have been removed.*

### ***IV. Other***

- This appeal is based on an issue not listed above. *Attach an explanation of how the increase does not meet the requirements of SCMC 6.02.*

## **SUBMISSION OF YOUR APPEAL REQUEST FORM**

### ***Form and Attachments***

Please make sure to fully complete and submit all required pages of the Form and attachments listed below:

- Page 2 – General Information
- Page 3 – Basis for Appeal Request Form
- Page 5 – Resident Signature Petition. Make copies of the form as needed for additional signatures. The Petition must be signed by a resident of at least 50% of the affected spaces, plus one additional affected space.
- Supporting statements related to the Basis for Appeal Request (page 2).
- A copy of your space rent increase notice (you may block out the personal information on the notice if desired.)
- Any other supporting documents or information you believe will be useful in determining if the basis for your appeal is within the authority of the Panel.

### ***Submission Timeline***

Please ensure that the Form is complete and all requested attachments are submitted to the City Community Development Department within 45 days of receipt of the notice for space rent adjustment, or by November 14, whichever is earlier. Forms received after this date will not be considered.

### ***Appeal Hearing Notification***

You will be notified in writing within 15 days if the appeal is within the authority of the Panel to hear. All affected residents will be notified by mail as well. If the appeal is within the Panel's area of authority, a Panel meeting will be scheduled.

### ***We are Here to Help!***

If you have any questions about the space rent appeal process, or how to complete this document, please contact Ben Jarvis at 661.286.4048 or Erin Lay at 661.286.4174.

**RESIDENT PETITION SIGNATURE FORM**

When seeking signatures from residents, this form must be accompanied by:

- A copy of the space rent adjustment notice from the park owner (you may block out the personal information on the notice if desired.)
- A copy of page three – BASIS FOR APPEAL REQUEST.

---

I am a resident of \_\_\_\_\_ Manufactured Home Park, and by my signature below, under the penalty of perjury, I certify that I am requesting an appeal hearing of the proposed 2016 annual space rent adjustment shown in the attached notice.

<u>Space #</u>	<u>Printed Name</u>	<u>Signature</u>

IMPORTANT: Based on SCMC 6.02.120 (D), only one resident signature per space may be counted toward the 50% plus one signature requirement.

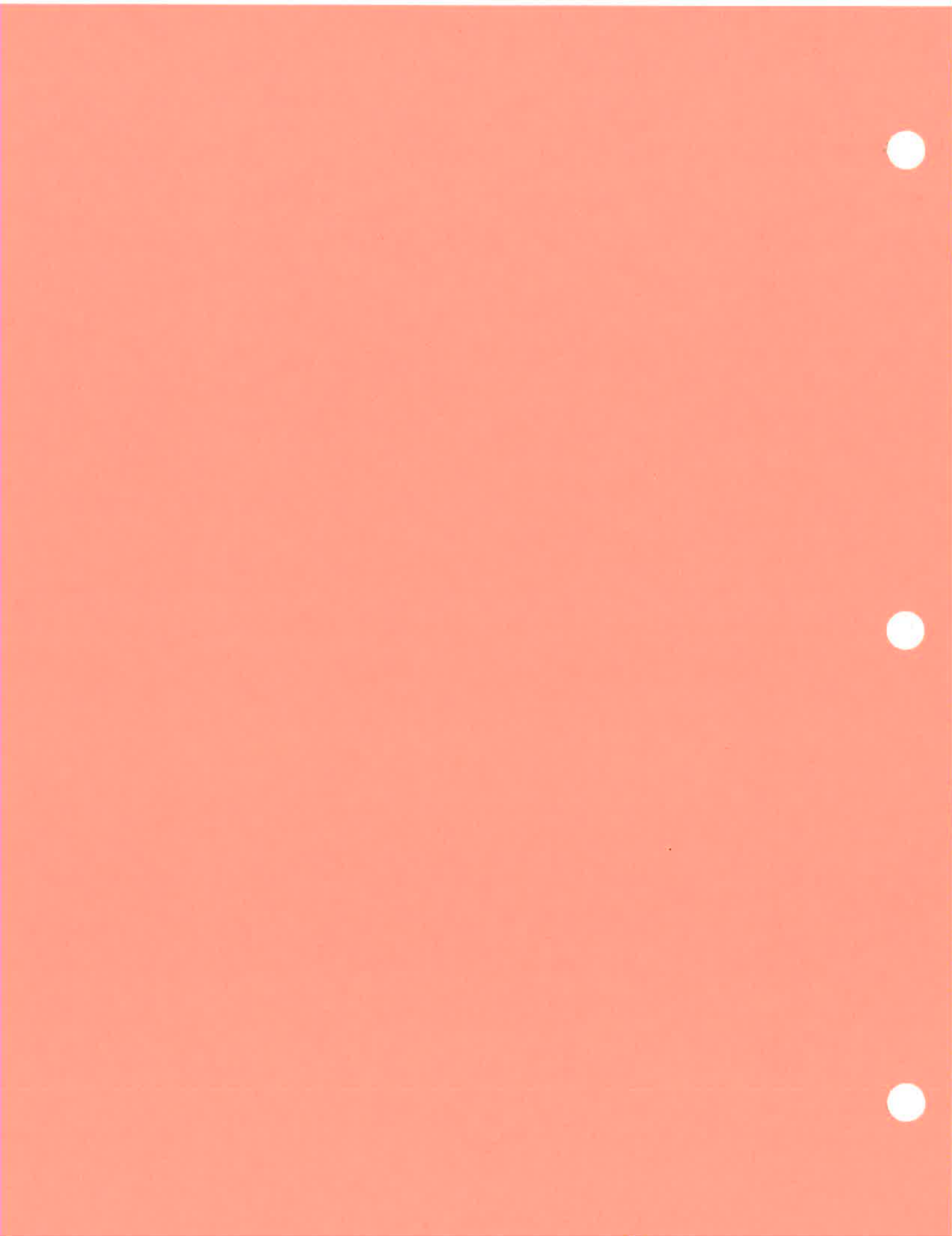
**Please make additional copies of this form as needed.**











CITY OF SANTA CLARITA  
STAFF REPORT

DATE: September 14, 2015  
TO: Chair Lang and Members of the Panel  
FROM: Erin Lay, Housing Program Administrator  
SUBJECT: DIRECTION FOR MORE FREQUENT PANEL MEETINGS

---

INTRODUCTION

At the December 3, 2014, meeting of the Manufactured Home Rental Adjustment Panel (Panel), Panelmember Fraser requested the Panel meet a minimum of once per year. Other members of the Panel agreed to place the issue on the agenda of a future Panel meeting for discussion and direction.

CURRENT PRACTICE

The Panel meets on an as-needed basis to hear space rent appeals or to tend to administrative matters such as approving the Panel-Approved Summary and the Appeal Request Form. In addition to required meetings, the Panel typically meets each year in the fall for training purposes. Meeting only when necessary respects the time of the volunteer Panel members, the additional duties of City staff, and provides flexibility in scheduling meetings. This process is consistent with other committees that do not have set meetings, such as City Council Subcommittees.

RECOMMENDATION

Staff recommends the Panel direct staff to continue the current practice of scheduling panel meetings only when necessary for appeal hearings, to receive training or take other action as required under the Ordinance.

BWJ:kl

S:\CD\HOUSING\MHPARK\2015-2016\September 14, 2015 Meeting\Item 3 - Staff Report 9-14-15.doc

**Agenda Item: 3**

