



**AGENDA
SPECIAL MEETING
Mobile Home Park Rent Review Board
Wednesday, June 12, 2019, 5:30 p.m.
Oxnard City Council Chambers, 305 West Third Street, Oxnard CA 93030**

1. CALL TO ORDER AND ROLL CALL

2. OATH OF OFFICE OF NEW COMMISSIONER

3. PUBLIC COMMENT

A person may address the Commission only on matters on the Special Meeting agenda. The presiding officer shall limit public comments to three (3) minutes per speaker. Public Comments will be heard during the Commission consideration of the item on the agenda.

4. INFORMATION/CONSENT AGENDA ITEM

SUBJECT: Minutes of Meeting of October 29, 2018 (001)

RECOMMENDATION: Approve minutes of Board meeting of October 29, 2018

5. REPORTS FROM CITY STAFF

SUBJECT: Presentation from Housing Department Director

RECOMMENDATION: Receive report from Housing Director Emilio Ramirez on Department Mission and objectives, and role of Mobile Home Park Rent Review Board.

SUBJECT: Water and Sewer Utility Passthrough Billing Methodology

RECOMMENDATION: Receive staff report on park owner's application for modification of water and sewer utility passthrough billing methodology

SUBJECT: Rent Stabilization Ordinance (006)

RECOMMENDATION: Receive staff report on request to City Council Housing and Economic Development Committee regarding possible amendments to Chapter 24 of the City Code.

6. BOARD MEMBER BUSINESS

SUBJECT: Annual Activity Report for Fiscal Year 2018-29 (010)

RECOMMENDATION: Receive staff presentation on, review, and adopt Annual Activity Report for Fiscal Year 2018-19; and authorize and direct Chair to submit report to City Council.

7. NEW BUSINESS

8. ADJOURNMENT

In accordance with the Americans with Disabilities Act and City of Oxnard policy, if you need special assistance to participate in a meeting, please call 385-8095 (TDD 487-2850). Notification 72 hours prior to the meeting will assist the City in making reasonable arrangements to ensure meeting accessibility.

**Mobile Home Park Rent Review Board
DRAFT Minutes of the Special Meeting of October 29, 2018**

On Monday, October 29, 2018, at 5:33 p.m. the Special Meeting of the City of Oxnard Mobile Home Park Rent Review Board convened in the Council Chambers at 305 West Third Street, Oxnard, CA 93030. The following Commissioners were in attendance: Cynthia Daniels; Felipe Flores; and Martin Lee Remmen. City of Oxnard staff members present were Deputy City Attorney Ken Rozell and Rent Stabilization Director Karl Lawson, Commission liaison, who acted as Recording Secretary.

1. ADMINISTRATION OF OATH OF OFFICE

Prior to the start of the meeting, Deputy City Clerk Duane Koziel administered the oath of office to each of the three incoming Board members.

2. ROLL CALL AND CALL TO ORDER

Mr. Lawson called the meeting to order at 5:33 p.m. Roll was called and a quorum was deemed present.

3. BOARD MEMBER BUSINESS: Selection of Chair and Vice-Chair

By consensus of all three Commissioners present, Mr. Remmen was designated to serve as Chair for the 2018-19 year, and Mr. Flores was designated to serve as Vice-Chair. Commissioner Remmen assumed the gavel and chaired the meeting.

4. PUBLIC COMMENT

None.

5. REPORTS FROM CITY STAFF

SUBJECT: City of Oxnard Mobile Home Rent Stabilization System

Rent Stabilization Director Karl Lawson provided a verbal report to the Board, and presented a slide presentation detailing the significant features of the rent stabilization system. A copy of that slide presentation is attached to these meeting minutes.

6. BOARD MEMBER BUSINESS

SUBJECT: Annual Activity Reports for 2016 and 2017

Mr. Lawson directed the Board's attention to the staff report beginning at page 001 of the agenda packet, and presented the draft Annual Activity Reports set forth therein. Following discussion, Chairman Remmen moved, and Commissioner Daniels seconded, a motion to approve the reports as submitted, and authorize the Chairman to submit the reports to City Council. Without opposition, the motion carried unanimously. The Activity Reports are found in Attachment No. 1 to these minutes.

7. NEW BUSINESS

None

8. SUBJECT: ANNOUNCEMENTS OF UPCOMING EVENTS

Staff reported that in accordance with the Board's by-laws, the next meeting would be scheduled in the month of February, at a date convenient to all Board members.

9. ADJOURNMENT

There being no further business, the meeting stood adjourned at 6:10 p.m.

(Minutes prepared by Karl Lawson)

**2016 AND 2017 COMBINED ANNUAL ACTIVITY REPORTS
CITY OF OXNARD MOBILE HOME PARK RENT REVIEW BOARD**

1. THE BOARD

The Mobile Home Park Rent Review Board consists of the following Commissioners, who were appointed to three-year terms at the City Council meeting of January 23, 2018: Cynthia Daniels, Felipe Flores, and Martin Lee Remmen.

2. BOARD MEETINGS

The Mobile Home Park Rent Review Board had no members, and did not meet, in calendar years 2016 or 2017.

3. PROCESSING OF RENT INCREASE APPLICATIONS IN 2016 AND 2017

A. Types of Space Rent Increases

Chapter 24 of the City Code establishes two mechanisms by which owners of mobile home parks in the City may apply for general space rent increases. Chapter 24-9 of the Code defines the procedure for C.P.I. (Consume Price Index) Formula Adjustment increase applications, and Chapter 24-10 creates the mechanism for applying for Discretionary Rent Increases.

B. Calculation of C.P.I. Space Rent Increases

The formula by which the maximum permissible C.P.I. space rent increase for which a park may apply is set forth in Chapter 24-9(A)(1), and as based on the change in the C.P.I. from August of one year to August of the next year. Whenever that change is 4 percent or less, the maximum permissible space rent increase for the next calendar year is equivalent to 100% of that August-to-August percentage change. The C.P.I. change has not exceeded that 4% threshold since 2008.

The permissible C.P.I. space rent increase for rent increases applied for in 2019, as determined by the inflation rate, will be 3.87%. Maximum permissible increases in recent years have been as indicated below:

2018:	2.82%
2017:	1.43%
2016:	1.14%
2015:	1.81%
2014:	0.84%
2013:	2.32%
2012:	2.41%
2011:	0.83%
2010:	No increase (2009 was a deflationary year)

C. Park Applications for C.P.I. Formula Rent Increases in 2016

There are twenty (20) mobile home parks in Oxnard, ranging in size from 39 spaces to 265 spaces. In 2016, the following nineteen (19) parks applied for C.P.I. space rent increases, in the amount of 1.14%:

Country Club Mobile Estates	Cypress Mobile Home Park
Evergreen R. V. Park	Imperial Oxnard Mobile Estates
Kona Kai Mobile Estates	Meadowlake Park
Ocean-Aire Mobile Estates	Oxnard Mobile Home Lodge
Oxnard Pacific Mobile Estates	Oxnard Shores Mobile Home Park
Pleasant Valley Mobile Home Park	Royal Palms Mobile Estates
Royal Duke Mobile Estates #1	Royal Duke Mobile Estates #2
Sunny Acres Park	Sunshine Manor Mobile Home Park
The Colony Mobile Home Park	Valley Trailer Villa
Villa Capri Mobile Estates	

One other park, Silverwheel Park, did not apply for a C.P.I. Formula space rent increase in calendar year 2016. However, as indicated later in this report, Silverwheel had applied for and been granted a 9.73% Discretionary Rent Increase in late 2015.

C. Park Applications for C.P.I. Formula Rent Increases in 2017

In 2016, the following eighteen (18) parks applied for C.P.I. space rent increases, in the amount of 1.43%:

Country Club Mobile Estates	Cypress Mobile Home Park
Evergreen R. V. Park	Imperial Oxnard Mobile Estates
Kona Kai Mobile Estates	Oxnard Mobile Home Lodge
Ocean-Aire Mobile Estates	Oxnard Shores Mobile Home Park
Oxnard Pacific Mobile Estates	Royal Palms Mobile Estates
Pleasant Valley Mobile Home Park	Royal Duke Mobile Estates #2
Royal Duke Mobile Estates #1	Sunny Acres Park
Silverwheel Park	Valley Trailer Villa
The Colony Mobile Home Park	
Villa Capri Mobile Estates	

The parks which did not seek C.P.I. Formula space rent increases in calendar year 2017 were Meadowlake Park (which opted voluntarily not to apply for a 2017 increase) and Sunshine Manor Mobile Home Park (which had been granted a 38.05% Discretionary Rent Increase in December of 2016).

D. Homeowner Association Protests of C.P.I. Rent Increase Applications

The Rent Stabilization System permits associations or groups of homeowners to challenge C.P.I. formula rent increase applications by filing a protest as defined in Chapter 24-2 of the City Code. When a protest is filed, the independent Hearing Officer conducts an evidentiary, in accordance with Chapter 24-9(B) and 24-13 of the Code. If the Hearing Officer determines that the homeowners have presented evidence of a reduction in services by the park owner, and a monetary savings, the Hearing Officer may reduce the pending rent increase by the amount saved by the park owner due to the deletion of reduction in services provided to homeowners.

In calendar year 2016, no protests were filed. In 2017, Homeowners Associations in two parks (Kona Kai and Ocean-Aire) filed formal protests challenging their respective park owners' application for C.P.I. increases, alleging service level reductions. Hearings were conducted in those cases, and the Hearing Officer ultimately ruled that the homeowners had not met their burden of proof. As a result, the C.P.I. increases applied for by both parks were approved.

E. Discretionary Rent Increase Applications

The Rent Stabilization System provides an avenue for parks to apply for space rent increases in amounts greater than the C.P.I. Formula Adjustment method. When a park believes that it is not receiving a fair return on its investment, it may apply for a Discretionary Rent Increase. Such an application requires presentation of an audit; a review of the park's application by City staff; a review of the park's income and expenses by an independent Certified Public Accounting firm hired by the City; a report by that CPA to the Hearing Officer; a public hearing on the findings during which representatives of the affected homeowners and of the park owner present their evidence and arguments; and ultimately a written Decision with Findings of Fact, issued by the Hearing Officer. The requirements for the processing of Discretionary Rent Increase applications are set forth in Chapter 24-10 of the City Code, and City Council Resolution No. 11,468.

In 2016, the owner of Sunshine Manor Mobile Home Park submitted an application for a Discretionary Rent Increase, seeking an increase in the amount of 68.1%. It was the first rent increase sought by the owner of that park since the year 2002. Following review and analyses, presentation of the findings of the CPA, and testimony and cross-examination in the evidentiary hearing, the independent Hearing Officer issued written Findings and Decision, in which Sunshine Manor was granted a Discretionary Rent Increase of 38.05%, which the park began collecting in December of 2016.

There was one Discretionary Rent Increase application in 2015 (Silverwheel, which was granted a 9.87% increase). No parks applied for Discretionary increases in calendar year 2017.

5

F. Utility Passthrough Applications

The City Code also permits park owners to apply for approval to pass through utility costs when segregated out or separately metered to individual homesites within a mobile home park. A utility passthrough for water consumption and sewer costs in Meadowlake Park became effective in 2016, following submission by that park of a Utility Passthrough Application.

Prior to 2016, the cost of the provision of water and sewer services to the 181 homesites in Meadowlake were included as part of the rent. In 2014, the park owners installed individual water meters at each space in the park, along with separate water meters for water consumption in the park's common areas (pool, clubhouse, median strips, grounds, etc.). Under the Utility Passthrough Application provisions of the City Code, the park applied to the City for permission to institute a separate, consumption-based charge to each homesite, based on metered consumption. In order to institute such a segregated charge, the park owner is required to remove from the space rent structure the cost of the previously-included utilities. The passthrough application process required review by the City of both common-area and individual consumption, application of a formula for allocation of sewer costs, an evidentiary hearing with presentation of findings, and ultimately a Decision of the Hearing Officer. In his ruling, the Hearing Officer reduced space rents by \$43.10 per space per month; adopted a staff recommendation for future apportionment of sewer costs, and for apportionment of common-area utility costs.

No utility passthrough applications were submitted in 2017.

G. Hearings conducted by Independent Hearing Officer

Evidentiary hearings are required for the implementation of the rent stabilization ordinance. CPI Protest and Discretionary hearings are adversarial in nature, while passthrough applications are investigative. Those hearings are conducted by an independent professional hearing officer, selected through the City's formal procurement policies. Mr. David B. Hart serves the City as hearing officer for all matters related to mobile home rent stabilization. Mr. Hart's rulings for cases initiated in 2016 and 2017 were as follows:

- (1) Sunshine Manor Mobile Home Park, 2016 Discretionary Rent Increase
- (2) Meadowlake Park, 2016 Water and Sewer Utility Passthrough
- (3) Kona Kai Mobile Estates, Homeowners Protests of 2017 CPI Application:
 - (a) Ruling on Homeowners' Request for Issuance of Subpoena for Production of Records (April 24, 2017)
 - (b) Decision on Allegations of Service Level Reductions (Dec. 4, 2017)

6

- (4) Ocean-Aire Mobile Estates, Homeowners' Protest of 2017 CPI Application:
(a) Decision on Park Owners' Objection to Subpoena for Production of Records (November 14, 2017)
(b) Decision on Allegations of Service Level Reductions (April 26, 2018)

4. APPEALS TO THE RENT REVIEW BOARD

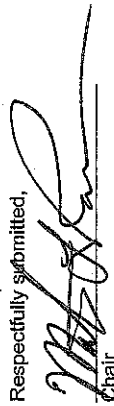
Pursuant to Chapter 24 of the City Code, either party may appeal Decisions of the Hearing Officer if that party is dissatisfied with the ruling. Unlike appeals of rulings by the City's Planning Commission, however, appeals under the rent stabilization system do not go to the City Council. Any Hearing Officer decision which is appealed is presented to the full Mobile Home Park Rent Review Board, which conducts a review of the record in open session, in accordance with Section 24-15 of the City Code. The Board reviews the record, and entertains arguments from the parties, but does not receive testimony nor conduct a de novo hearing on the matter in dispute.

In 2016 and 2017, no Hearing Officer decisions were appealed to the full Rent Review Board.

5. ADOPTION

Pursuant to Chapter 24-6(C) of the Oxnard City Code, the 2016 and 2017 Annual Activity Report of the Mobile Home Park Rent Review Board is hereby presented to the Oxnard City Council, having been adopted by a majority vote of the Commission at the Special Meeting of October 29, 2018.


Respectfully submitted,



Chair

Date: October 29, 2018



TO: Honorable Members of the Mobile Home Park Rent Review Board
FROM: Karl Lawson, Rent Stabilization Director 
DATE: June 5, 2019
SUBJECT: Rent Stabilization Ordinance

I. HISTORICAL BACKGROUND

The City of Oxnard Mobile Home Rent Stabilization Ordinance is codified at Chapter 24 of the City Code. The Rent Stabilization System also incorporates City Council Resolution No. 11,468, which sets forth the Guidelines for Implementation. The wording of the Ordinance and the Resolution are the product of a 1998 negotiation between elected representatives of homeowners in each of the 21 parks and representatives chosen by the City's park owners, which took place over a period of eight months under the auspices of a City Council appointed Rent Stabilization Ordinance Review Task Force.

II. RECENT ACTIONS

On March 26, 2019, the owner of a mobile home who resides in one of the mobile home parks in Oxnard addressed the City Council's Housing and Economic Development Committee at public comment. That individual requested that the City examine the current rent stabilization system to see if it could be strengthened to help owners of mobile homes. Subsequent thereto, City staff disseminated a communication advising that a meeting of the Mobile Home Park Rent Review Board would be held in June, and requesting that interested parties present a list of specific proposals for changes which they would like the City Council to consider.

As of the writing of this report, the only proposal that has been received is from the management firm that operates one park in the City. That park proposes that the City enact "Vacancy De-control", to permit park owners to increase space rents when a mobile home is sold to a new owner. Currently, rent increases upon such a transfer of a

mobile home from an owner-occupant/seller to a buyer who will reside in the mobile home (termed a "change of occupancy") is capped at \$80.00. A copy of that park owner's letter is attached.

Staff anticipates that individuals attending the June 12, 2019 Board meeting may present additional proposals verbally, and recommends that the Chair permit anyone who submits a speaker card to do so from the podium.

III. ROLE OF THE RENT REVIEW BOARD

The Board is a quasi-judicial body established pursuant to Chapter 24-5 of the Oxnard City Code. Section 24-6 of the Oxnard City Code states in its entirety as follows:

SEC. 24-6 POWERS AND DUTIES OF THE BOARD

Within the limitations provided by state law, the Board shall have the following powers and duties:

- (A) Reasons for Meetings – To meet from time-to-time to discharge the Board's duties as set forth in this Chapter.*
- (B) Powers – To collect evidence and information to implement this chapter, initiate investigations, schedule and conduct hearings or appeals, and issue written findings and decisions regarding the implementation of this Chapter.*
- (C) Annual Report – To prepare, at least annually, a comprehensive written report to the City Council concerning Board activities, decisions, findings, and actions, and all other matters governed by this Chapter.*
- (D) Administrative rules – Within the limitations provided by law or by rules adopted by the City Council, and after a public hearing, with due notice to owners and residents and/or their representatives, associations and councils, to adopt, amend and rescind administrative rules to effectuate the purposes and policies of this chapter.*

As set forth above, a primary role of the Board is to implement Chapter 24 as written, and to act as an impartial arbiter of disputes that arise under the existing Rent Stabilization System. City Council has not delegated to the Board any responsibilities other than those specified in Chapter 24-6. The Board was not a party to the negotiations that led to the 1998 agreement that was codified in Chapter 24 and the accompanying City Council resolution, and it is City Council, rather than the Board, which has the authority to enact amendments to Chapter 24.

IV. ADMINISTRATION OF THE RENT STABILIZATION SYSTEM

Housing Department staff has been delegated the responsibility to administer the rent stabilization system. Staff receives and processes rent increase applications and utility passthrough applications, makes presentations to homeowner associations and community groups, and over the course of any given day, receives and responds to a wide variety of inquiries regarding mobile homes and mobile home parks.

Many of the inquiries (and at times complaints) which staff receives from residents of mobile home parks involve areas in which the City has no legal authority. The State of California Civil Code, as well as other state statutes, includes provisions which regulate many aspects of the legal relationship between mobile home park owners and residents of mobile home parks. As a superior jurisdiction, the State statutes act at times to preempt the exercise of any municipal authority in those areas which are addressed and occupied by state statute. Thus, while mobile home residents in Oxnard frequently contact City staff regarding a wide variety of issues, not all of those matters can be legally addressed by the City. When appropriate, staff advises home owners that their particular issue is subject to state law, and cannot be handled or enforced by City staff or by the Rent Review Board.

It is the responsibility of staff to fulfill its obligation to administer the City's rent stabilization system in an even-handed and impartial manner. As such, staff does not recommend or advocate for any amendments to the Code, as to do so might be interpreted as favoring either home owners or park owners, and thus place in question the impartiality of the City's administration of the rent stabilization system.

V. RECOMMENDATION

That the Chair permit public comment on the topic of proposed changes to the rent stabilization system, and determine whether to include this item on the agenda of a future Board meeting.

Attachment

Letter of May 24, 2019 from Mr. R. C. Bessire



BESSIRE AND CASENHISER, INC.
manufactured housing management and investments

OShores
20-27

May 24, 2019

Mr. Karl Lawson, Rent Stabilization Director
Housing Dept / City of Oxnard
435 South "D" Street
Oxnard, CA 93830
Karl.Lawson@oxnard.org
805. 385. 8095

RE: Oxnard Rent Review Board – Agenda Request

Dear Mr. Lawson:

As you are aware, we are very concerned about the "transfer of wealth" taking place at Oxnard Shores due to the eighty dollar (\$80±) limitation on resale once every five (5) years.

As noted in prior correspondence 1970 and 1980 homes worth \$20,000± are selling for \$200,000 and up, even as pullouts.

If at all possible, can you please add Vacancy Decontrol/Re-control as an agenda item? If not, will there be a chance to bring this issue to the Board/City for their review and future consideration?

NOTE: Another resident in Space 176 just passed away and the executor is going to ask \$350,000+, for this home as a pull out!

Can you please make sure a copy of the meeting agenda is emailed to me at rcb@bessire-casenhiser.com?

Thank you in advance for your ongoing assistance over the years.

Sincerely,

R. C. Bessire
President
BRE#00483337

DB/ksp
db052419ksp

cc: Janene Milan, Resident Manager





TO: Honorable Members of the Mobile Home Park Rent Review Board
FROM: Karl Lawson, Rent Stabilization Director 
DATE: June 5, 2019
SUBJECT: Mobile Home Park Rent Stabilization System Annual Activity Reports for Fiscal Year 2018-19

I. RECOMMENDATION

That the Board review and adopt the Fiscal Year 2018-19 Annual Activity Report to City Council, and authorize the Chair to submit the reports to City Council

II. DISCUSSION

The Mobile Home Park Rent Review Board is a quasi-judicial body established pursuant to Chapter 24-5 of the Oxnard City Code. Section 24-6 of the Oxnard City Code states in its entirety as follows:

SEC. 24-6 POWERS AND DUTIES OF THE BOARD

Within the limitations provided by state law, the Board shall have the following powers and duties:

- (A) Reasons for Meetings – To meet from time-to-time to discharge the Board's duties as set forth in this Chapter.*
- (B) Powers – To collect evidence and information to implement this chapter, initiate investigations, schedule and conduct hearings or appeals, and issue written findings and decisions regarding the implementation of this Chapter.*

- (C) *Annual Report – To prepare, at least annually, a comprehensive written report to the City Council concerning Board activities, decisions, findings, and actions, and all other matters governed by this Chapter.*
- (D) *Administrative rules – Within the limitations provided by law or by rules adopted by the City Council, and after a public hearing, with due notice to owners and residents and/or their representatives, associations and councils, to adopt, amend and rescind administrative rules to effectuate the purposes and policies of this chapter.*

The current Board consists of three members who were appointed by City Council on January 23, 2018, and one who was appointed on May 21, 2019. Two Board meetings were conducted in Fiscal Year 2018-19, on October 28, 2018 and June 12, 2019.

In accordance with Sec. 24-6(C) above, staff has prepared the attached Annual Activity Report for Fiscal Year 2018-19. Staff presents this report to the Board for your review, input and discussion. Upon finalization, staff requests that the Board approve the reports and authorize the Chair to transmit the reports to the City Council.

Attachment

Draft Annual Activity Report for Fiscal Year 2018-19

ANNUAL ACTIVITY REPORT FOR FISCAL YEAR 2018-19 CITY OF OXNARD MOBILE HOME PARK RENT REVIEW BOARD

1. THE BOARD

The Mobile Home Park Rent Review Board consists of three Commissioners who were appointed to three-year terms at the City Council meeting of January 23, 2018: Cynthia Daniels, Felipe Flores, and Martin Lee Remmen; plus Commissioner Efrain Jimenez, appointed by City Council on May 21, 2019.

2. BOARD MEETINGS

The Mobile Home Park Rent Review Board met twice in Fiscal Year 2018-19.

3. PROCESSING OF RENT INCREASE APPLICATIONS IN 2018-19

A. Types of Space Rent Increases

Chapter 24 of the City Code establishes two mechanisms by which owners of mobile home parks in the City may apply for general space rent increases. Chapter 24-9 of the Code defines the procedure for C.P.I. (Consume Price Index) Formula Adjustment increase applications, and Chapter 24-10 creates the mechanism for applying for Discretionary Rent Increases.

B. Calculation of C.P.I. Space Rent Increases

The formula by which the maximum permissible C.P.I. space rent increase for which a park may apply is set forth in Chapter 24-9(A)(1), and as based on the change in the C.P.I. from August of one year to August of the next year. Whenever that change is 4 percent or less, the maximum permissible space rent increase for the next calendar year is equivalent to 100% of that August-to-August percentage change. The C.P.I. change has not exceeded that 4% threshold since 2008.

The permissible C.P.I. space rent increase for rent increases applied for in 2019, as determined by the inflation rate, is 3.87%. Maximum permissible increases in recent years have been as indicated below:

2018:	2.82%
2017:	1.43%
2016:	1.14%
2015:	1.81%
2014:	0.84%
2013:	2.32%
2012:	2.41%
2011:	0.83%
2010:	No increase (2009 was a deflationary year)

C. Park Applications for C.P.I. Formula Rent Increases in 2018-19

There are twenty (20) mobile home parks in Oxnard, ranging in size from 39 spaces to 265 spaces. In Fiscal Year 2018-19, the following nineteen (19) parks applied for C.P.I. space rent increases to take effect in calendar year 2019, in the amount of 3.87%:

Country Club Mobile Estates	Cypress Mobile Home Park
Evergreen R. V. Park	Imperial Oxnard Mobile Estates
Kona Kai Mobile Estates	Oxnard Mobile Home Lodge
Ocean-Aire Mobile Estates	Oxnard Shores Mobile Home Park
Oxnard Pacific Mobile Estates	Royal Palms Mobile Estates
Pleasant Valley Mobile Home Park	Royal Duke Mobile Estates #2
Royal Duke Mobile Estates #1	Silverwheel Mobile Home Park
Sunny Acres Park	Sunshine Manor Mobile Home Park
The Colony Mobile Home Park	Valley Trailer Villa
Villa Capri Mobile Estates	

One other park chose not to apply for a C.P.I. Formula space rent increase in calendar year 2019.

D. Homeowner Association Protests of C.P.I. Rent Increase Applications

The Rent Stabilization System permits associations or groups of homeowners to challenge C.P.I. formula rent increase applications by filing a protest as defined in Chapter 24-2 of the City Code. When a protest is filed, the independent Hearing Officer conducts an evidentiary, in accordance with Chapter 24-9(B) and 24-13 of the Code. If the Hearing Officer determines that the homeowners have presented evidence of a reduction in services by the park owner, and a monetary savings, the Hearing Officer may reduce the pending rent increase by the amount saved by the park owner due to the deletion of reduction in services provided to homeowners.

In Fiscal Year 2018-19, no homeowner protests have been filed. The most recent year when protests were filed occurred in 2017, when Homeowners Associations in two parks (Kona Kai and Ocean-Aire) filed formal protests challenging their respective park owners' application for C.P.I. increases, alleging service level reductions. Hearings were conducted in those cases, and the Hearing Officer ultimately ruled that the homeowners had not met their burden of proof. As a result, the C.P.I. increases applied for by both parks were approved.

E. Discretionary Rent Increase Applications

The Rent Stabilization System provides an avenue for parks to apply for space rent increases in amounts greater than the C.P.I. Formula Adjustment method. When a

park believes that it is not receiving a fair return on its investment, it may apply for a Discretionary Rent Increase. Such an application requires presentation of an audit; a review of the park's application by City staff; a review of the park's income and expenses by an independent Certified Public Accounting firm hired by the City; a report by that CPA to the Hearing Officer; a public hearing on the findings during which representatives of the affected homeowners and of the park owner present their evidence and arguments; and ultimately a written Decision with Findings of Fact, issued by the Hearing Officer. The requirements for the processing of Discretionary Rent Increase applications are set forth in Chapter 24-10 of the City Code, and City Council Resolution No. 11,468.

The most recent Discretionary Rent Increase application was processed in 2016, when the owner of Sunshine Manor Mobile Home Park submitted an application for a Discretionary Rent Increase, seeking an increase in the amount of 68.1%. It was the first rent increase sought by the owner of that park since the year 2002. Following review and analyses, presentation of the findings of the CPA, and testimony and cross-examination in the evidentiary hearing, the independent Hearing Officer issued written Findings and Decision, in which Sunshine Manor was granted a Discretionary Rent Increase of 38.05%, which the park began collecting in December of 2016.

There was one Discretionary Rent Increase application in 2015 (Silverwheel, which was granted a 9.87% increase). No parks applied for Discretionary increases in calendar years 2017, 2018, or 2019.

F. Utility Passthrough Applications

The City Code also permits park owners to apply for approval to pass through utility costs when segregated out or separately metered to individual homesites within a mobile home park.

As of June 2019, a utility passthrough application submitted by one park is in process before Hearing Officer David B. Hart. In that park, the Board had approved a utility passthrough for water, sewer and trash charges more than 30 years ago. Since then, each homeowner in the park has been billed a flat monthly charge for water and sewer charges.

In 2018, the park owner installed individual meters at each space in the park. The Current application submitted by the park seeks a modification of the methodology by which the monthly charge is calculated, in order to provide for each homeowner to be charged for water and sewer according to their water consumption as measured by the meter at that homeowner's space.

The calculation of the monthly volumetric cost for water requires the Hearing Officer to make a determination as to what percentage of the total water consumption in the park is apportioned for common-areas (such as landscaping, clubhouse, streets, and

swimming pool). A hearing was held before Hearing Officer Hart in early 2019, and he has requested additional data on common-area versus aggregate homeowners' consumption. That data has been provided to the Hearing Officer every month since April, and it is anticipated that a decision in that case will be issued in the next two months.

Apart from the case that is still pending, the most recent utility passthrough application processed by the City involved water consumption and sewer costs in Meadowlake Park. The decision in the Meadowlake case became effective in 2016, following submission by that park of a Utility Passthrough Application, a hearing before Hearing Officer Hart, and analysis of post-hearing data and exhibits.

Prior to 2016, the cost of the provision of water and sewer services to the 181 homesites in Meadowlake were included as part of the rent. In 2014, the park owners installed individual water meters at each space in the park, along with separate water meters for water consumption in the park's common areas (pool, clubhouse, median strips, grounds, etc.). Under the Utility Passthrough Application provisions of the City Code, the park applied to the City for permission to institute a separate, consumption-based charge to each homesite, based on metered consumption. In order to institute such a segregated charge, the park owner is required to remove from the space rent structure the cost of the previously-included utilities. The passthrough application process required review by the City of both common-area and individual consumption, application of a formula for allocation of sewer costs, an evidentiary hearing with presentation of findings, and ultimately a Decision of the Hearing Officer. In his ruling, the Hearing Officer reduced space rents by \$43.10 per space per month; adopted a staff recommendation for future apportionment of sewer costs, and for apportionment of common-area utility costs.

G. Hearings conducted by Independent Hearing Officer

Evidentiary hearings are required for the implementation of the rent stabilization ordinance. CPI Protest and Discretionary hearings are adversarial in nature, while passthrough applications are investigative and non-adversarial. All hearings are conducted by an independent professional hearing officer, selected through the City's formal procurement policies. Mr. David B. Hart serves the City as hearing officer for all matters related to mobile home rent stabilization. As indicated above, in Fiscal Year 2018-19, one hearing has been conducted by Mr. Hart, with post-hearing discovery and proceedings continuing, and a ruling anticipated in the near future.

Other rulings issued by the Hearing Officer in recent years are as listed below:

- (1) Sunshine Manor Mobile Home Park, 2016 Discretionary Rent Increase
- (2) Meadowlake Park, 2016 Water and Sewer Utility Passthrough

- (3) Kona Kai Mobile Estates, Homeowners Protests of 2017 CPI Application:
 - (a) Ruling on Homeowners' Request for Issuance of Subpoena for Production of Records (April 24, 2017)
 - (b) Decision on Allegations of Service Level Reductions (Dec. 4, 2017)

- (4) Ocean-Aire Mobile Estates, Homeowners' Protest of 2017 CPI Application:
 - (a) Decision on Park Owners' Objection to Subpoena for Production of Records (November 14, 2017)
 - (b) Decision on Allegations of Service Level Reductions (April 26, 2018)

4. APPEALS TO THE RENT REVIEW BOARD

Pursuant to Chapter 24 of the City Code, either party may appeal Decisions of the Hearing Officer if that party is dissatisfied with the ruling. Unlike appeals of rulings by the City's Planning Commission, however, appeals under the rent stabilization system do not go to the City Council. Any Hearing Officer decision which is appealed is presented to the full Mobile Home Park Rent Review Board, which conducts a review of the record in open session, in accordance with Section 24-15 of the City Code. The Board reviews the record, and entertains arguments from the parties, but does not receive testimony nor conduct a de novo hearing on the matter in dispute.

In 2016, 2017, and 2018, no Hearing Officer decisions were appealed to the full Rent Review Board.

5. ADOPTION

Pursuant to Chapter 24-6(C) of the Oxnard City Code, the 2016 and 2017 Annual Activity Report of the Mobile Home Park Rent Review Board is hereby presented to the Oxnard City Council, having been adopted by a majority vote of the Commission at the Special Meeting of June 12, 2019.

Respectfully submitted,

Martin Remmen, Chair

Date: June 12, 2019