



**AGENDA
MOBILE HOME PARK RENT REVIEW BOARD
SPECIAL ZOOM MEETING
Oxnard, CA 93030
Monday, December 13, 2021, 5:30 p.m.**

Please click the link below to join the webinar:

<https://us06web.zoom.us/j/82777235216?pwd=dERqampuTW1WWVdMK2VDOWF3OVo0dz09>

Or by calling: US: 888 475 4499 Webinar ID: 827 7723 5216 Passcode: 336668

This meeting is being held in accordance with Assembly Bill 361, allowing members of the Mobile Home Park Rent Review Board, members of the public, and staff to participate via teleconference. Consistent with City policies imposed to promote social distancing, the facility where the Mobile Home Park Rent Review Board regularly meets is temporarily closed to the public.

YOU MAY PARTICIPATE IN THE MEETING IN THE FOLLOWING WAYS:

1. EMAILING COMMENTS OR REQUESTS TO SPEAK BEFORE THE MEETING

- a. Submit an email to christian.lopez@oxnard.org no later than 12:00 PM on the day of the meeting (Please indicate the agenda item number in the subject line). All email correspondence will be forwarded to the Rent Review Board prior to the start of the meeting and made part of the legislative record.
- b. Submit a request to speak by no later than 12:00 PM on the day of the meeting by emailing christian.lopez@oxnard.org.

2. PROVIDING PUBLIC COMMENTS DURING THE MEETING VIA CALL-IN OR ZOOM OPTIONS

- a. Speakers shall have up to three minutes to speak.
- b. Speakers may register to speak by clicking <https://us06web.zoom.us/j/82777235216>, or call Mr. Lopez at 805-385-8096.
- c. Public comments on items not on the agenda shall be taken at the beginning of the meeting. If there are more speakers than can be accommodated during thirty minutes, additional speakers will be given an opportunity to speak at the end of the meeting. After all public speakers have been given an opportunity to speak, the public comment period shall be held open for three minutes to allow additional speakers to register or otherwise be recognized for the purpose of providing public comment. During this three-minute time period, the Mobile Home Park Rent Review Board or staff may briefly respond to comments on items not appearing on the agenda.
- d. Public comments on items on the agenda shall be taken following the announcement of the item. After all public speakers have been given an opportunity to speak on an agenda item, the public comment period shall be held open for three minutes to allow additional speakers to register or otherwise be recognized for the purpose of providing public comment. During this three-minute time period, the Mobile Home Park Rent Review Board or staff may discuss the item being considered.

(Meeting Agenda begins on next page)

1. **CALL TO ORDER AND ROLL CALL**

2. **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.

3. **INFORMATION/CONSENT AGENDA ITEM**

SUBJECT: Minutes of Meeting of December 21, 2020 (P. 1)

RECOMMENDATION: Approve minutes of Board meeting of December 21, 2020

4. **BOARD MEMBER BUSINESS**

SUBJECT: Annual Activity Report for 2021 (P. 12)

RECOMMENDATION: Receive staff presentation on, review, and adopt Annual Activity Report for 2021; and authorize Chair to submit report to City Council

5. **REPORTS FROM CITY STAFF**

6. **NEW BUSINESS**

SUBJECT: Selection of Chair and Vice-Chair

RECOMMENDATION: That the Board, by majority vote, select a Chair and a Vice-Chair

7. **ANNOUNCEMENTS OF UPCOMING EVENTS**

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.

Written materials relating to an item on this agenda that are distributed to the Mobile Home Park Rent Review Board will be made available for public inspection at 435 South "D" Street (call 805-385-8095 in advance for appointment) and on the City's website at Oxnard.org/city-meetings.

Mobile Home Park Rent Review Board
DRAFT Minutes of the Special Meeting of December 21, 2020

On Monday, December 21, 2020, at 5:54 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, via Zoom. The following Commissioners were in attendance: Vice-Chair Felipe Flores; and Commissioners Cynthia Daniels and Efrain Jimenez. Chairman Rennen was absent with excuse. City of Oxnard staff members present were Deputy City Attorney Ken Rozell; Housing Director Emilio Ramirez; and Rent Stabilization Director Karl Lawson, Commission liaison, who acted as Recording Secretary.

1. ROLL CALL AND CALL TO ORDER

Vice-Chairman Flores called the meeting to order at 5:54 p.m. Roll was called and a quorum was deemed present.

2. PUBLIC COMMENT

Ms. Pat Brown stated that she has lived in Royal Palms since 1993. Ms. Brown requested that Board meetings be televised just as City Council meetings are televised; that the Board take steps to prevent park owners from increasing space rents due to the pandemic; that the Board change the formula for calculating the annual CPI rent increases.

3. INFORMATION/CONSENT AGENDA

SUBJECT: Minutes of Meeting of November 25, 2019

Commissioner Daniels noted two corrections that were required to the minutes. With those corrections agreed to by all, Commissioner Jimenez moved, and Commissioner Daniels seconded, a motion to approve the minutes as presented. The motion carried with two in favor and one abstention (Vice-Chair Flores).

4. REPORTS FROM CITY STAFF

SUBJECT: Annual Activity Report

Mr. Lawson provided a Power Point presentation highlighting the key points in the Annual Activity Report. Following discussion, Commissioner Jimenez moved, and Commissioner Daniels seconded, approval of the report as distributed with the meeting agenda packet. The motion carried unanimously.

SUBJECT: Impact of the COVID-19 Pandemic on Mobile Home Rent Stabilization

Mr. Lawson delivered a verbal report and power points on the impact of the pandemic on mobile home parks in Oxnard and on the administration of the rent stabilization system. Mr. Richard Bessire, of Oxnard Shores Mobile Home Park, commented regarding reductions in services and the administrative fees. Assistant City Attorney Ken Rozell responded to questions on claims of reductions in services and admin fees, and indicated that the pandemic had not resulted in any reduction of the level of services provided by the City to homeowners or park owners.

5. BOARD MEMBER BUSINESS

SUBJECT: Selection of Chair and Vice-Chair

Commissioner Daniels nominated Commissioner Flores to serve as Chair, and Commissioner Jimenez seconded the motion. The motion carried unanimously.

Commissioner Flores nominated Commissioner Jimenez to serve as Vice-Chair, and Commissioner Daniels seconded. The motion carried unanimously.

6. NEW BUSINESS

None.

7. ADJOURNMENT

There being no further business, Commissioner Daniels moved that the Board adjourned. Commissioner Jimenez seconded the motion, which carried unanimously, and the meeting stood adjourned at 7:04 p.m.

(Minutes prepared by Karl Lawson)

Mobile Home Park Rent Stabilization Program

Presentation to
Mobile Home Park Rent Review Board
December 2020

Oxnard's Mobilehome Community

- 20 Mobilehome Parks
- 2816 Total Spaces (nearly all owner-occupied)
- 10,000 – 11,000 Total Residents (about 5% of Oxnard's total population)
- 91% of Oxnard's mobilehome owners are protected by Oxnard's Rent Stabilization Ordinance

Rent Stabilization in Oxnard

- First adopted in 1983
- Ordinance amended four times
- Current ordinance resulted from a negotiated agreement between park owners and elected representatives of homeowners (1998 Task Force)

What is "Rent Stabilization"?

Rent Stabilization is not:
a government subsidy for low-income persons or senior citizens

What is "Rent Stabilization"?

Rent Stabilization is:
A system of administrative law adopted by the City Council

Rent Stabilization is:
government regulation of the price that a business may charge for a product (i.e., increases in space rent)

What is "Rent Stabilization"?

A key element in preserving the affordability of housing for approximately 5% to 6% of families in the City of Oxnard. Those households constitute 10% of all homeowners in Oxnard.

THIS YEAR'S REPORT

- Annual presentation usually goes into great detail on legal framework of rent stabilization, history of rent stabilization in Oxnard, and description of Discretionary Rent increase application process
- This year's report will focus on CPI rent increase data and information on Water Utility Passthrough processes

OUTLINE OF THIS REPORT:

1. Formula for Calculating the Annual CPI Formula Rent Increase Amount
2. Summary of Calendar Year 2020 CPI Applications
3. Challenging Rent Increases; and impacts of COVID-19
4. Utility Passthrough Applications

Calculation of CPI Increase

- Inflation rate for Southern California from August to August determines permissible CPI rent increase for following calendar year
- From August 2019 to August 2020, the Southern California CPI increased by 2.02%**
- The permissible CPI increase for calendar year 2021 will be 2.02%.

C.P.I. Rent Increase Applications

- Permissible amount is the same for every park in any given year. For 2021, it will be 2.02% (down from 2.97% in 2020)
- For 2019, it was 3.87%; and in 2018, 2.82%
- Previous years: 2012 increase: 2.41%
- 2013 increase: 2.32%
- 2014 increase: 0.84%
- 2015 increase: 1.81%
- 2016 increase: 1.14%
- 2017 increase is 1.43%
- Homeowners may protest a park's C.P.I. Rent increase.

Rent Increase Applications 2020

- Each of the 20 mobile home parks has an established eligibility date for its annual CPI rent increase; 18 parks have eligibility dates which fall in the first six months of the calendar year
- Applications must be filed at least 60 days before rent increase date
- Most 2020 applications were submitted prior to the onset of the pandemic**

2020 CPI Applications

- Nineteen parks submitted CPI applications in 2020
- One park did not seek an increase
- One park sought a smaller increase than amount to which it was entitled
- One park has delayed filing by three months; another has delayed filing early 2021 application indefinitely

Challenging CPI Rent Increases

- ☒ *Sole legal basis for homeowners to challenge a CPI rent increase is by proving in an evidentiary hearing that the park has reduced services provided and has saved money by reducing those services*
- ☒ **Impacts of COVID-19 on 2021 CPI applications to be discussed in separate report**

UTILITY PASSTHROUGHS

Pass-throughs

- ☒ Park owners may "pass through" to homeowners the cost of utilities, following application to the City and a hearing to determine required rent reduction and future utility cost allocation system
- ☒ *Oxnard's ordinance does not contain provision for passthroughs of Capital Improvement costs*

Utility Passthrough Hearings

- ☒ A park which currently pays for utilities from rents collected may apply for "pass through" to have utility costs directly paid by each homeowner
- ☒ Application review requires detailed financial analysis of past utility consumption, an evidentiary hearing to determine space rent reduction, and development of a formula for apportionment of future utility costs

More on Utility Passthroughs

- ☒ Hearing Officer must determine what percent of utility consumption is for park's common areas (to be paid by park) and what percent is distributed among all homeowners in the park
- ☒ Also must decide how to apportion utility costs among homeowners (who may or may not have individual sub-meters to measure their consumption)

Water Passthroughs: A Forecast

- ☒ **State law requires all parks to implement, by 2025, a system whereby individual homeowners pay for their own consumption**
- ☒ **Only 5 parks already have sub-meters installed; fifteen do not**
- ☒ **Conclusion: numerous passthrough applications must be processed in next 3 years**

Recent Water Passthroughs

- Water passthrough hearings for 4 parks conducted and since 2016
- Data collection, analysis, and public hearings were extensive and lengthy.
- Example: Imperial Oxnard M.E. installed 186 sub-meters, staff analyzed over 18 months of data.
- Process: from the filing of the application to the issuance of the Decision took ten months, 3 hearings

***(End of December
2020 Presentation)***

**THE 2020 COVID-19 PANDEMIC
AND ITS IMPACT ON
OXNARD'S MOBILE HOME PARK
RENT STABILIZATION
PROGRAM**

**PRESENTATION BY
CITY OF OXNARD HOUSING DEPARTMENT
DECEMBER 2020**

WHAT THIS REPORT WILL COVER

1. Basic overview: What is Mobile Home Rent Stabilization?
2. The COVID-19 Pandemic: How it impacts Mobile Home Parks in Oxnard
3. Annual CPI Rent Increases in Calendar Year 2020: how the pandemic has impacted the rent increase process
4. Effect of Pandemic on 2021 Rent Increases and possible homeowner protests of those rent increase
5. How the Rent Increase Protest Process Works
6. Impact of Pandemic on City's Administration of MHRP Program

SECTION ONE:

*Basic overview of the City of
Oxnard's Mobile Home Rent
Stabilization Program*

**WHAT IS "MOBILE HOME RENT
STABILIZATION"?**

Rent Stabilization is not:
a government subsidy for low-
income persons or senior
citizens

**THEN EXACTLY WHAT IS
OXNARD'S RENT STABILIZATION SYSTEM?**

Rent Stabilization is:
government regulation of the
price that a business may
charge for a product (i.e.,
increases in space rent)

RENT STABILIZATION IS ALSO....

- A system of administrative law under which the City is a neutral party
- Administered by City Housing Department staff with assistance from the City Attorney
- Paid for, half and half, by the 2900 homeowners and the 20 park owners in the City

SECTION TWO:

The 2020 COVID-19 Pandemic and How it has Impacted Mobile Home Parks in Oxnard

COVID-19 PANDEMIC

- First impacts of pandemic began in mid-March of 2020
- By mid-April, severe impacts felt throughout California: business shutdowns, emergency stay-at-home orders

COMMON IMPACTS OF PANDEMIC ON MOBILE HOME PARK OPERATIONS

- Group activities curtailed
- Clubhouses, community rooms, exercise rooms closed
- Swimming pools closed
- Contact between residents limited
- *And of course, health impacts*

LEGAL EFFECT OF STATE AND LOCAL EMERGENCY ORDERS ON CITY'S RENT STABILIZATION SYSTEM

- Emergency Orders have limited the ability of landlords to evict tenants who are unable to pay rent due to loss of income resulting from the pandemic
- Emergency orders apply to mobile home owners who are unable to pay their full space rent
- City has no role in eviction process or in proceedings related to park owners' efforts to collect delinquent rent
- Legal right of park owners to apply for rent increase is not affected by Emergency Orders

SECTION THREE:

Annual CPI Rent Increase Applications in Calendar Year 2020: How the pandemic has impacted the rent increase process

C.P.I. RENT INCREASE APPLICATIONS IN 2020

- Each of Oxnard's 20 mobile home parks has an established eligibility month for its annual CPI rent increase
- Eighteen parks have eligibility months which fall in the first half of the calendar year
- Applications must be filed at least 60 days before increase date (15 filed before 4/20/20)

2020 CPI APPLICATIONS

- State law requires parks to give 90-day notice to homeowners of rent increase
- Pre-pandemic: all parks except three had given this notice by April 1, 2020
- After duration and severity of pandemic became clear, one park decided not to file; one applied for a smaller rent increase; and one delayed its increase date

RELATIONSHIP BETWEEN TIMING OF RENT INCREASE APPLICATIONS AND ONSET OF THE PANDEMIC

- Sole mechanism for homeowners to challenge a CPI rent increase is by filing a formal protest alleging a reduction in services provided by park
- Filing a protest requires homeowners to draft a petition and collect signatures within a limited period of time after Notice of increase is given
- In all parks except three, the signature-gathering period had passed by mid-April

THE RESULTS:

- The impact of pandemic-related closures was not felt in most parks until after the 2020 CPI rent increase were in process
- No protests were filed
- Protest hearing would have had to show cost savings accruing to park in prior year in order to reduce 2020 rent increase

SECTION FOUR:

Effect of Pandemic on 2021 rent increases and possible homeowner protests of park applications for 2021 CPI rent increases

NEXT YEAR: CALENDAR YEAR 2021 C.P.I. RENT INCREASE APPLICATIONS

- As of December 1, 2020, City had processed rent increase applications for 2021 for two smaller parks which have few amenities (no pools, tennis courts, clubhouses, etc.)
- Applications have been received from four other larger parks which do have significant amenities; applications currently in process

FORECAST FOR 2021 C.P.I. RENT INCREASES

- Hundreds of calls received from park residents asking whether parks can increase rents while homeowners are impacted by pandemic
- Staff anticipates some parks may forego or delay 2021 rent increase applications
- Possibility that homeowner groups in some parks which do seek 2021 CPI rent increases will file formal homeowner protests on basis of closures of amenities due to pandemic

SECTION FIVE

How the Rent Increase Protest Process Works

PROCEDURAL REQUIREMENTS FOR HOMEOWNERS FILING A C.P.I. RENT INCREASE PROTEST

- Homeowners must draft petition specifying which services or amenities have been eliminated/reduced by the park
- Signatures must be collected from homeowners representing at least 25% of the mobilehome spaces in the park which are subject to the proposed C.P.I. rent increase
- Signatures should appear on same page as the petition which lists the alleged service reductions, and petition should be in a language that the signators understand

PROTEST PETITION AND DESIGNATED REPRESENTATIVE

- The protest petition must designate one person to act as the representative of the homeowners for the purpose of the evidentiary hearing
- That person represents protestors in pre-hearing discovery and motions; may file requests for Subpoenas for Production of Records; and presents the homeowners' case during the evidentiary hearing before the Hearing Officer

THE PROTEST HEARING

- An evidentiary hearing is conducted by an independent Hearing Officer
- Protesting homeowners have the burden of presenting evidence, through testimony, documents, photographs. Protesters' designated representative presents case, determines who testifies, and questions witnesses.
- Park management may cross-examine witnesses and present rebuttal evidence

THE TWO THINGS THE PROTESTING HOMEOWNERS MUST PROVE IN THE PROTEST HEARING

In order to prevail, the protesting homeowners must present persuasive evidence in the hearing on two points:

1. Since the last rent increase the park owner has reduced or eliminated services that were previously provided by the park; and
2. The amount of dollar savings which accrued to the park as a result of the service level reductions

COLLECTING AND PRESENTING EVIDENCE

- Evidence of reductions in services: usually presented through eyewitness testimony, documents, photographs.
- Evidence of cost savings accruing to park: usually obtained through discovery process. Homeowners representative may file, prior to the hearing, Motions for Hearing Officer to issue a Subpoena for Production of Records.
- Example from a prior hearing: Hearing Officer ordered park to present prior years' bills for pool service, water, heater, etc., to show amount saved when pool was out of operation

ROLE OF CITY STAFF IN C.P.I. PROTEST HEARING PROCESS

- **City is neutral; staff provides information, but cannot help either party present case**
- **Staff assists Hearing Officer, coordinates exchange of documents, hearing logistics**
- **City Attorney provides legal counsel to independent Hearing Officer**

RESPONSIBILITIES OF THE HEARING OFFICER

- **Determine whether the homeowners proved that a specific service or amenity was reduced or eliminated**
- **If the Hearing Officer finds that a park did reduce or eliminate a specific service, he then must determine whether the homeowners presented persuasive evidence that a cost savings was enjoyed by the park due to the service reduction, (and if so, what is the dollar value of that savings)**

AUTHORITY OF THE HEARING OFFICER

- **If the Hearing Officer finds that the protesting homeowners have met their burden of proof on both issues, the sole remedy he can impose is this: *reduce the prospective rent increase by a dollar amount equal to the savings enjoyed by the park due to the service level reductions***
- **Hearing Officer has no authority to reduce rents below current levels, and has no authority to order a park to restore a service that has been reduced to eliminated.**

SECTION SIX:

Impact of the Pandemic on the City's administration of the Mobile Home Park Rent Stabilization Program


EFFECTS OF PANDEMIC ON CITY'S ADMINISTRATION OF THE RENT STABILIZATION PROGRAM

- **City offices remain closed to public for most purposes**
- **Nearly all contact with park owners, park management firms, homeowners, and HOAs conducted via phone, computer, or Zoom meeting technology**
- **December 15th Board meeting conducted via Zoom**
- **Possibility of conducting future evidentiary hearings via Zoom or other remote-location connection technology**

SUMMARY

- **Mobile Home Park Rent Stabilization system regulates the amount and frequency of space rent increases**
- **Homeowners may challenge a park's right to receive full CPI rent increase by filing a protest. Protests are adjudicated by a neutral Hearing Officer**
- **Impacts of COVID-19 pandemic may or may not affect the number of protests filed in 2021, and how those protests are decided**



TO: Honorable Members of the Mobile Home Park Rent Review Board
FROM: Karl Lawson, Rent Stabilization Director 
DATE: December 3, 2021
SUBJECT: Mobile Home Park Rent Stabilization System Annual Activity Report for Calendar Year 2021

I. RECOMMENDATION

That the Board review and adopt the Fiscal Year 2021 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, one who was appointed on May 21, 2019; and one who was appointed on March 16, 2021. A Board meeting was conducted on December 13, 2021.

In accordance with Sec. 24-6(C) above, staff has prepared the attached Annual Activity Report for 2021. Staff presents this report to the Board for your review, input and discussion. Upon finalization, staff requests that the Board approve the report and authorize the Chair to transmit the reports to the City Council.

Attachment

Draft Annual Activity Report for Fiscal Year 2021

**ANNUAL ACTIVITY REPORT FOR 2021
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; Commissioner Efrain Jimenez, appointed by City Council on May 21, 2019; and Commissioner Eric Fruth, appointed by City Council on March 16, 2021.

2. BOARD MEETINGS

The Rent Review Board met once in 2021, on December 13, 2021.

3. PROCESSING OF RENT INCREASE APPLICATIONS IN 2021

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. (Consumer 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 is 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 2021, as determined by the inflation rate, is 2.02%. For calendar year 2022, the permissible increase will be exactly 4.0%. Maximum permissible increases in recent years have been as indicated below:

| | | | |
|-------|-------|-------|-------|
| 2021: | 2.02% | 2015: | 1.81% |
| 2020: | 2.97% | 2014: | 0.84% |
| 2019: | 3.87% | 2013: | 2.32% |
| 2018: | 2.82% | 2012: | 2.41% |
| 2017: | 1.43% | 2011: | 0.83% |
| 2016: | 1.14% | | |

There was no increase permitted in 2010, 2009 was a deflationary year.

C. Park Applications for C.P.I. Formula Rent Increases in 2021

There are twenty (20) mobile home parks in Oxnard, ranging in size from 39 spaces to 265 spaces. The following eighteen (18) parks applied for 2.02% C.P.I. space rent increases to take effect in calendar year 2021:

| | |
|----------------------------------|--------------------------------|
| 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 |
| Sunshine Manor Mobile Home Park | Valley Trailer Villa |
| Villa Capri Mobile Estates | The Colony Mobile Home Park |

Two parks -- Meadowlake Park and Silverwheel Mobile Home Park -- chose not to apply for a C.P.I. Formula space rent increase in calendar year 2021.

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 hearing, 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.

One homeowner protest was filed in 2021, by a group of homeowners in Imperial Oxnard Mobile Estates. The protest challenging the respective park owners' C.P.I. increase alleged several service level reductions. Following discovery, and an evidentiary hearing at which testimony and documentary and photograph exhibits were introduced, the Hearing Officer ultimately ruled that the homeowners had not met their burden of proof. While the homeowners had demonstrated certain reductions in services, there was insufficient evidence of any cost savings resulting to the park due to those service reductions. As a result, the C.P.I. increase applied for by the park was 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 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%. That park was ultimately granted a Discretionary Rent Increase of 38.05%.

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 October of 2019, Hearing Officer David B. Hart issued a decision in the matter of a water and sewer utility passthrough application submitted by Imperial Oxnard Mobile Estates. The Imperial Oxnard case required two evidentiary hearings, and involved a prior passthrough approved 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.

G. Hearings conducted by Independent Hearing Officer

Evidentiary hearings are required for the implementation of the rent stabilization ordinance. Rent increase, and change-of-occupancy determination hearings are adversarial in nature; passthrough hearings 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.

4. APPEALS TO THE RENT REVIEW BOARD

Pursuant to Chapter 24 of the City Code, either party may appeal a Decision 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. No Hearing Officer decisions have been appealed to the full Rent Review Board in any of the cases decided from 2016 through 2021.

5. ADOPTION

Pursuant to Chapter 24-6(C) of the Oxnard City Code, the 2020 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 December 13, 2021.

Respectfully submitted,

Felipe Flores, Chair

Date: December 13, 2021

Mobile Home Park Rent Stabilization Program

Presentation to

***Mobile Home Park Rent Review Board
December 13, 2021***



Oxnard's Mobilehome Community

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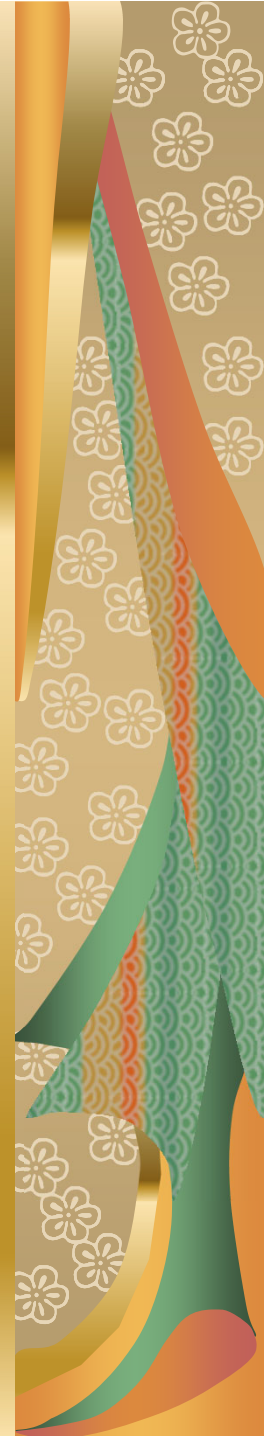
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Rent Stabilization is:

A system of administrative law adopted by the City Council

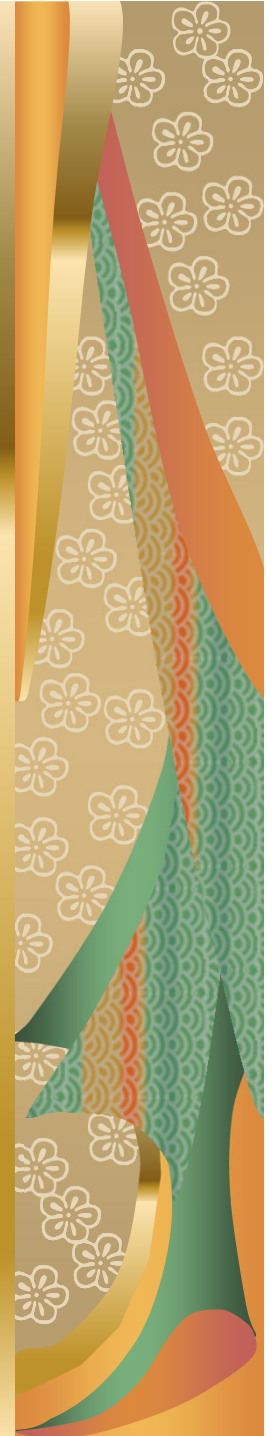
Rent Stabilization is:

government regulation of the price that a business may charge for a product (i.e., increases in space rent)



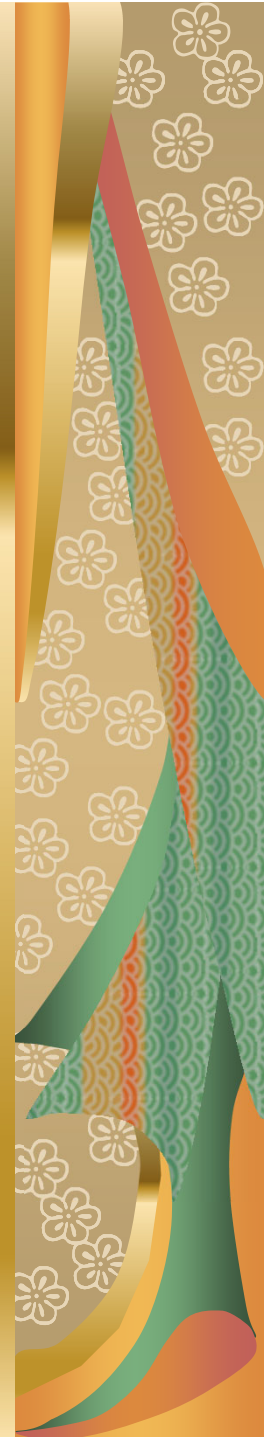
What is “Rent Stabilization”?

A key element in preserving the affordability of housing for approximately 5% to 6% of families in the City of Oxnard. Those households constitute 10% of all homeowners in Oxnard.



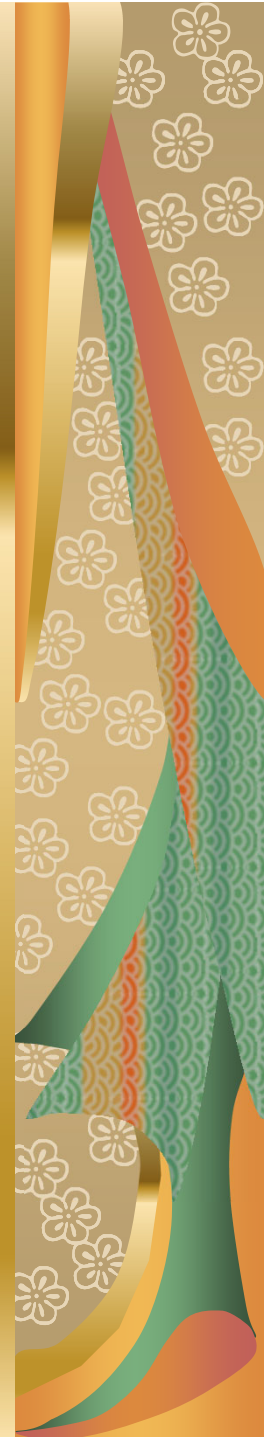
ANNUAL REPORT OUTLINE:

1. Formula for Calculating the Annual CPI Formula Rent Increase Amount
2. Summary of Calendar Year 2021 CPI Applications
3. Hearing on Homeowner Protest of CPI Rent Increases; COVID impact
4. Utility Passthrough Applications



Calculation of CPI Increase

- Inflation rate for Southern California from August to August determines permissible CPI rent increase for following calendar year
- From August 2020 to August 2021, the Southern California CPI increased by 4.00%
- The permissible CPI increase for calendar year 2022 will be 4.0%.



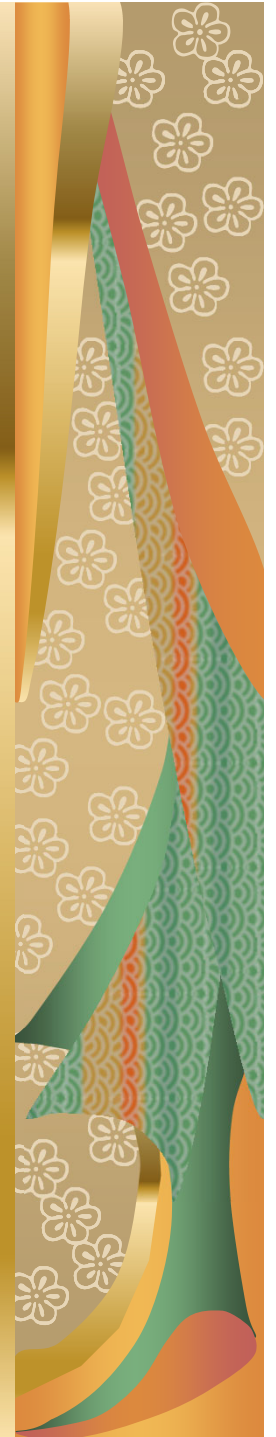
C.P.I. Rent Increase Applications

- Permissible amount is the same for every park in any given year (4.0% in 2022)
- For 2021, increase was 2.02%; in 2020, 2.97%; 2019, 3.87%; and in 2018, 2.82%
- Previous years: 2012 increase: 2.41%
- 2013 increase: 2.32%
- 2014 increase: 0.84%
- 2015 increase: 1.81%
- 2016 increase: 1.14%
- 2017 increase is 1.43%
- Homeowners may protest a park's C.P.I. Rent increase.



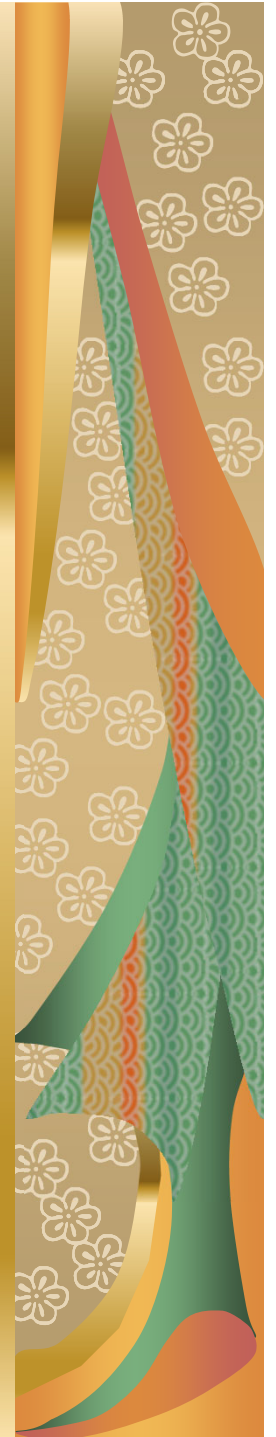
Rent Increase Applications 2021

- Each of the 20 mobile home parks has an established eligibility date for its annual CPI rent increase; 18 parks have eligibility dates which fall in the first six months of the calendar year
- Applications must be filed at least 60 days before rent increase date
- Eighteen of the twenty parks in the City applied for 2021 rent increases



Challenging CPI Rent Increases

- ***Sole legal basis for homeowners to challenge a CPI rent increase is by proving in an evidentiary hearing that the park has reduced services provided and has saved money by reducing those services***
- **In 2021, one protest was filed due to COVID-related closure of park facilities**

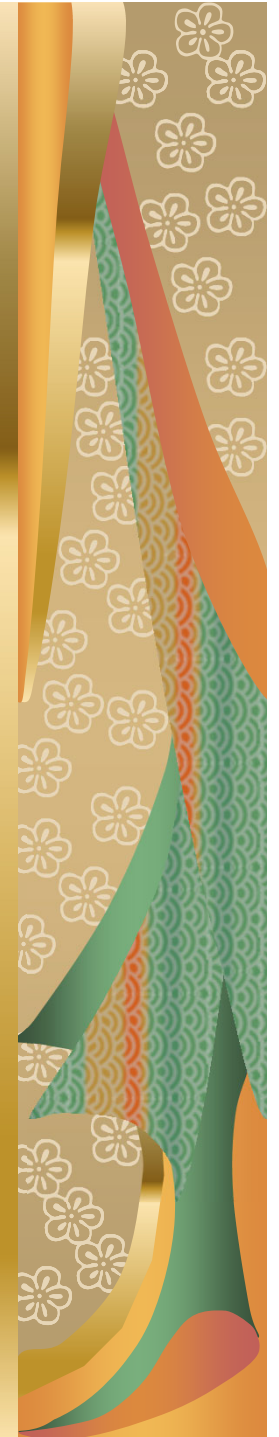


2021 CPI Protest Hearing

- Homeowners in Imperial Oxnard Mobile Estates challenged protest based on park closures of common-area facilities
- Hearing Officer agreed that park had reduced services but found that home owners had not provided evidence of monetary savings due to closures
- Result: no reduction of rent increase



UTILITY PASSTHROUGHS



Pass-throughs

- Park owners may “pass through” to homeowners the cost of utilities, following application to the City and a hearing to determine required rent reduction and future utility cost allocation system
- *Oxnard’s ordinance does not contain provision for passthroughs of Capital Improvement costs*



Utility Passthrough Hearings

- A park which currently pays for utilities from rents collected may apply for “pass through” to have utility costs directly paid by each homeowner
- Application review requires detailed financial analysis of past utility consumption, an evidentiary hearing to determine space rent reduction, and development of a formula for apportionment of future utility costs



More on Utility Passthroughs

- Hearing Officer must determine what percent of utility consumption is for park's common areas (to be paid by park) and what percent is distributed among all homeowners in the park
- Also must decide how to apportion utility costs among homeowners (who may or may not have individual sub-meters to measure their consumption)



Water Passthroughs: A Forecast

- **State law requires all parks to implement, by 2025, a system whereby individual homeowners pay for their own consumption**
- **Any parks which have not already installed sub-meters installed will need to do so. Several passthrough applications must be processed in next 3 years**



Recent Water Passthroughs

- Water passthrough hearings for 4 parks conducted and since 2016
- Data collection, analysis, and public hearings were extensive and lengthy.
- Example: Imperial Oxnard M.E. installed 186 sub-meters, staff analyzed over 18 months of data.
- Process: from the filing of the application to the issuance of the Decision took ten months, 3 hearings



QUESTIONS?



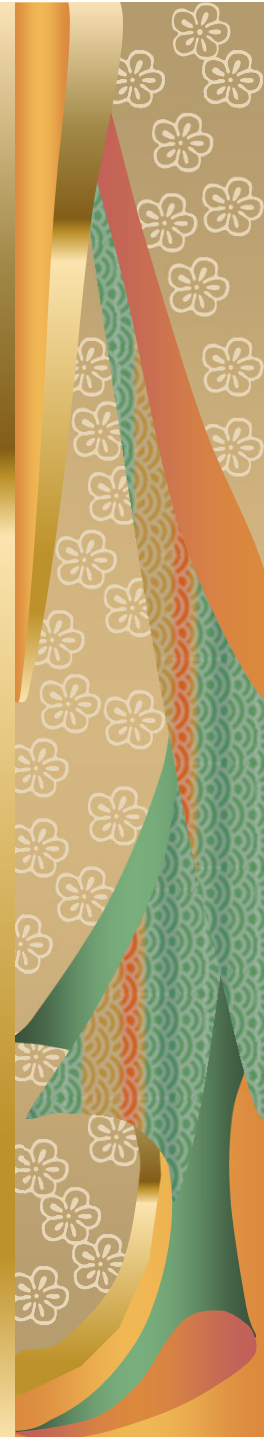
***(End of December
2021 Presentation)***



RESOURCES

City of Oxnard Mobilehome Rent Stabilization Ordinance

(Oxnard City Code, Chapter 24)



More Resources...

**State of California
Mobilehome Residency Law**

**California Civil Code
Chapter 798**



Thank you!

Rent Stabilization Program
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